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NEWS SUMMARY

GENERAL

Air and Channel travel troubles

Further disruption of British Airways European and domestic flights from Heathrow is certain for at least part of to-day but most sea ferry services to France should resume if French seamen and dockers stick to their plan for a 48-hour strike.

At Heathrow, thousands of passengers were delayed yesterday because of a strike by 700 pre-flight checkers claiming extra pay for handling TriStars. Most passengers got away on other airlines or on aircraft specially chartered by British Airways.

Workers who refuel aircraft walked out in sympathy with the maintenance men, who meet this morning.

Ferry services to France were hit for the second day by the strike of French seamen and dockers protesting at plans by a German company to run a cut-price service from Southampton to St. Malo. Talks yesterday between the company and local unions in Southampton showed no sign of leading to a compromise. Back Page

Portugal affirms Nato link

Portugal wishes to stay in Nato and has no intention of becoming a "Trojan horse" for the Communists, President Ford was assured by Prime Minister General Vasco Gonçalves in Brussels yesterday.

In separate talks yesterday with the Greek and Turkish Premiers, President Ford stressed U.S. willingness to help in reaching a settlement acceptable to all sides.

Greek re-think

In Athens authoritative sources say Mr. Karamanlis will offer a revision of Greece's decision to withdraw from Nato when he addresses the summit to-day "if a speedy and just solution" is found. Back Page

British-based U-2 crashes

An American U-2 reconnaissance aircraft crashed in West Germany yesterday about 35 miles from the East German border. The pilot baled out and is now "in good condition" in a USAF hospital. The U.S. Air Force said the U-2—one of five based in England—was not carrying any photographic equipment and was not armed.

Police and armed U.S. soldiers cordoned off the area, setting up road blocks in a three-mile radius. Film was confiscated from amateur photographers and a spokesman said news and cameramen would be banned from the crash site at least until Friday.

Multi-racial plan for Rhodesia

A multi-racial Government to rule Rhodesia for five years until full elections is proposed by the main White Opposition party, aimed at breaking the deadlock between the Rhodesian Front Government and the African National Council. Page 8

Test TV doubt

Live television coverage of the England-Australia Test matches this summer seems unlikely after the BBC declined to pay a £90,000 fee. Page 10

Catholic fears

Ulster Secretary Mr. Merlyn Rees was asked by Catholic SDLP to clarify Government's position after revelations of plans for a provisional Loyalist government and a single Loyalist army. Page 11

Zambian takeover

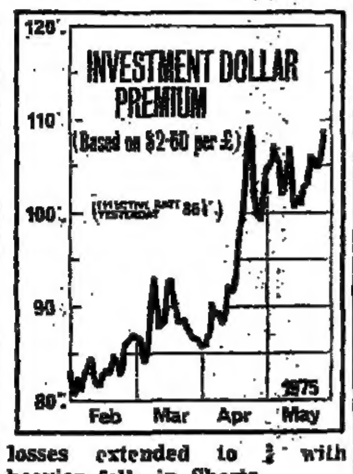
Zambia plans to nationalise all private enterprises except those run as co-operatives, following a warning by President Kaunda that there will be no room for private ownership. Page 8

BUSINESS

Unsettled equities rise 1.9: gilts fall

● EQUITIES drifted lower on scattered selling against a background of uncertainty due to *the forthcoming referendum*. Bear closing finally lifted the FT 30-share index 1.9 higher to 348.5.

● GILTS reacted after Wednesday's demand for Longs and losses extended to ½ with heavier falls in Shorts.



● STERLING fell 35 points to $2.3170 while its weighted depreciation widened to 24.8 (24.7) per cent. The dollar's narrowed to 7.06 (7.09).

● GOLD fell $2.75 to $168.25 an ounce.

● WALL STREET closed 2.04 lower at 815.00.

● INVESTMENT DOLLAR PREMIUM rose 2½ points to 109 per cent.

● THE RECESSION ... "bottomed out" according to the U.S. Commerce Department's index of 12 leading indicators which rose 4.2 per cent. during April. Page 5

● MACHINE TOOL industry is heading for a recession. Figures released to-day show a 21 per cent. fall in new orders for the quarter to the end of February and a 28 per cent. fall for the year. Page 10

● WEST GERMAN industrial output will drop by 5 per cent. in 1975 against the 1974 level, according to the Munich Economic Institute IFO. Page 7

● URBAN WASTE will be used as boiler fuel for the first time in a 50 MW. Midlands power station under a contract between West Midlands County Council and Imperial Metal Industries (Kynoch). Page 11

● NEW YORK STATE Governor has spent $200m. to New York City for settlement of urgent debts although municipal finances remain shaky despite Mayor Abe Beame's efforts. Page 5

● STONE AND WEBSTER and Marples Ridgway have negotiated two contracts worth over £150m. with Libya and Iran. Page 4

Massey writs against sit-in

● MASSEY-FERGUSON has served summonses on 310 workers who have occupied its Coventry tractor plant for over two weeks.

● CHRYSLER'S Coventry engine plant is still at a standstill after the company yesterday refused to meet the men's demands including two days' holiday money forfeited by the strike.

● BRITISH PETROLEUM net income for the first 1975 quarter fell to £42.2m. against £289.7m. for the corresponding 1974 period which included £175m. stock profit. Page 23 and Lex

● ASSOCIATED ENGINEERING has produced an encouraging interim statement with a rights issue to raise £7.86m. Page 22 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

Anglo-Am. Ind.	800	+ 40
Assoc. Engineering	60	+ 5
Broken Hill Prop.	740	+ 15
Church	121	+ 6
Courtaulds	140	+ 11
Intl. Paint	165	+ 22
K Shoes	51	+ 4
Sheffield Twist	76	+ 6
Sime Darby	107	+ 7
Anglo Amer. Corpn.	510	+ 17
Great Boulder	85	+ 7
Malayan Tin	203	+ 11
Metals Expln.	46	+ 6
Minorco	292	+ 12
Southern Malayan	160	+ 12

FALLS

Treas. 11½%, 1979	£100½	— 7/16
Treas. 7¾%, 2012-15	£55⅝	— ½
Authority Inv.	42	— 6
Bats	323	— 7
Coats Patons	48½	— 6½
Commercial Union	172	— 8
Ever Ready	88	— 4
Extel	78	— 6
Ladbroke	167	— 6
Land Secs.	194	— 4
Lucas Inds.	117	— 5
Lyons (J.) "A"	150	— 9
Portals	150	— 6
Robb Caledon	48	— 4
Stock Conversion	160	— 6
Sun Alliance "New"	106*	— 6
Tarmac	138	— 4
Thomson Orgn.	192	— 5
Thorn "A"	142	— 8
UDT	18	— 5
Wimpey (G.)	126	— 4
Bracken	334	— 12
S.A. Land	690	— 20
Southvaal	£13½	— ¾
Utah Mining	725	— 25

*Premium

(FT stock indices and FT-Actuaries summary Page 35.)

Cautious approval by rail unions for tribunal's 27.7%

BY ROY ROGERS, LABOUR CORRESPONDENT

A 27.5 PER CENT. pay award made yesterday to 190,000 railway workers was given cautious approval by rail union leaders in advance of union executive meetings to consider the £77.5m. offer, beginning to-day. Reactions from the Government and British Rail were clearer cut.

The Government declared itself "disappointed" that the award exceeded what was necessary under the TUC's wage guidelines to maintain real incomes, joining the BR Board in stressing that higher fares and freight charges were inevitable.

Made in reply to union demands for increases of at least 30 per cent., the award, which includes £4.40 a week threshold already paid, improves on BR's 21.2 per cent. offer which had been based on a strict interpretation of the social contract wage guidelines.

It is therefore less than the current level of public sector pay rises—which are running at more than 30 per cent—although, by suggesting the introduction of a minimum earnings level for railmen it could be argued that the lowest paid will make up some ground on surface miners and post men whose differentials over railmen were a major plank in the National Union of Railwaymen's argument.

The award adds a further £25.8m. to the BR's £51m. offer and improves the "new money" content by 6.5 per cent. to 19 per cent., which the tribunal maintains compares favourably with "new money" averages of about 17 per cent. in other public sector settlements.

Described by the tribunal as being within the terms of the social contract as it had been interpreted in many other public sector settlements, the award would mean "new money" increases of between £2.65 and £8.80 a week, putting railmen on a basic rate of £32.70—with a £36.70 guaranteed earnings level—drivers on £53.10 and top signalmen on £61.20.

The tribunal urges that the increases be a straight 27.5 per cent. on existing pay rates, that equal pay for women be introduced immediately and that outstanding pay anomalies involving signalmen should be resolved at the same time although outside the present settlement.

Tribunal findings, Page 15
Editorial Comment, Page 20

More controversial elements in the award include the rejection of demands for a further cost of living threshold arrangement and a suggestion that BR and the unions should get together in a bid to improve efficiency and productivity.

British Railways has invited the three rail unions for talks on the award, which will be backdated to April 29, and is hopeful of an early settlement.

Before then, however, the recommendations will be considered by the union executives, beginning to-day with the NUR and the Transport Salaried Staffs' Association. The executive of the Associated Society of Locomotive Engineers and Firemen (ASLEF) will not meet until Monday.

Last night Mr. Sid Weighell, NUR general secretary, commented that the award "pointed in the right direction," but whether it went far enough would be decided by his executive, which last month split 14-9 in favour of strike action over the previous offer—short of the two-thirds majority needed to call industrial action.

Mr. Weighell was pleased that the tribunal team had upheld the union's view that the Board's earlier offer need not be final nor hinge on the Board's ability to pay.

He was also quite enthusiastic over the idea of a minimum earning level which would mean increases of £11.05 a week for the 23,000 railmen on the present £25.65 minimum, including consolidation of £4.40 a week threshold payments. But he said he would seek clarification on how the scheme was to be applied and what effect it would have on differentials of men just above the new minimum level.

ASLEF general secretary Mr. Ray Buckton described the award as "well worth looking at" and Mr. David Mackenzie, TSSA general secretary, said he would be recommending his executive to accept. Both ASLEF and TSSA were pushing for percentage increases to help restore differentials which were eroded by flat-rate threshold payments.

ITV back on air again to-day

By Lorelies Olslager, Labour Staff

The independent television companies will resume broadcasting to-day after a seven-day blackout over technicians' pay.

Yet at the end of a week of strike and lock-out, unions and employers maintained they had not given an inch.

The companies are officially ending the four-day lock-out of some 3,000 technicians, which followed a three-day strike over the Bank Holiday weekend, at 6 am this morning. But Harlech and Southern resumed broadcasting last night.

Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians claimed the companies had "capitulated."

The had dropped their condition that the pay claim—for money allegedly owed since the days of Tory pay restraint—must first be officially abandoned before there could be a return

As a last-minute concession, the union last night wrested a promise from the companies that there will be a meeting on June 6 to discuss the claim, for £231 for each technician.

An official statement from the Independent Television Companies Association however, said the employers had made it "absolutely clear that they do not intend to meet the claim."

The companies said their decision to end the lock-out had been taken "in the interests of the resumption of a full broadcasting service to the public, particularly in view of the forthcoming referendum." But it is clear that both sides were unhappy with the dispute and keen to reach some form of compromise.

Mr. Sapper had faced a considerable revolt among rank-and-file members against the original strike decision. Several hundred technicians at London Weekend, Westward and Tyne Tees openly defied the union and continued working during the stoppage.

As part of yesterday's deal, the companies insisted there must be no "victimisation."

Shore attacks 'big surplus nations'

BY ROBERT MAUTHNER PARIS, May 29.

MR. PETER SHORE, Secretary for Trade, launched a sharp attack here to-day on countries with the strongest economies for not doing enough to lead the world out of the present recession.

Although he did not name them, it was understood he was specifically referring to Japan and West Germany.

On the last day of the annual OECD Ministerial meeting here, Mr. Shore announced Britain's conditional willingness to renew for another year the OECD Trade Pledge, under which member-countries undertake not to take any trade restrictive measures. But he did so on two conditions:

1—That the finance to cover the weaker countries' deficits must be made available;

2—That countries in a stronger position must play their part by following sufficiently expansionary domestic economic policies, which would sustain international demand and increase imports.

The Trade Secretary pointed out that a year ago the OECD Ministers had agreed on four main policy objectives: To reduce the rate of inflation, to choose counter-inflationary policies carefully so as to avoid serious unemployment, to maintain economic activity at satisfactory levels, and to accept a deterioration in their balances of payment because of the oil price rises.

Mr. Shore readily conceded that the U.K., for its part, had so far failed to deal adequately with inflation. But there had been an equal, if not greater lack of success on the part of other countries in attaining the other objectives.

"We have seen unnecessarily high rates of unemployment. We have seen one major country with an enormous balance of payments surplus," he said, clearly referring to West Germany.

Then, turning his guns on Japan, Mr. Shore said that Britain was particularly disturbed at the failure of one major country to take reflationary action.

"Given the very substantial degree of unused capacity and the striking success in moderating the rate of wage increases, we believe there is more they could and should do." The renewal of the Trade Pledge must be a two-sided operation.

There was no immediate reaction from the Japanese delegation.

All member-countries except for Portugal, whose representative underlined the special problems at present facing his

French-U.S. row, Page 6

country's economy, to-day made clear they would endorse a renewal of the Trade Pledge.

To-day's meeting, presided over Mr. Denis Healey, Chancellor of the Exchequer, was punctuated with warnings by Ministers from several major countries that, although the world was slowly coming out of its most serious post-war recession, more dangers lay ahead.

Mr. William Simon, U.S. Treasury Secretary, said economists in the U.S. were now generally agreed that the American economy would be on "a path of rising real output" in the second half of this year and that the U.S. growth rate might well be the highest of any member-country during this period.

Mr. Simon emphasised, however, that the expansionary policies now followed by some countries such as the U.S. could eventually lead to even greater inflation than had been experienced recently.

Because of the time-lag between the initiation of expansionary policies and their impact on output and employment, governments would be under

Continued on Back Page

Car makers and CBI chief back stay-in campaign

BY JOHN BOURNE, LOBBY EDITOR

THE SOCIETY of Motor Manufacturers and Traders and Mr. Ralph Bateman, president of the CBI, yesterday threw their weight on the side of the pro-Marketeers as the referendum campaign entered its final week.

The SMMT firmly rejected the Antis' claim that British motor industry jobs had been lost to the EEC. Its figures showed that since 1972 imports of vehicles from non-EEC countries including Japan, had more than doubled, compared with only a 2-3 per cent. rise in EEC imports.

The society founds its pro-European case on the argument that there would be difficulties in improving exports to the EEC if Britain ceases to be a member. "Heavy past and proposed investment by the motor industry would be put at risk," it said.

The society also predicted similar difficulties for the components industry, which had increased its trade with the Community over the last two years. If Britain left, many companies would have to establish self-sufficient plants on the Continent, with consequent losses to the balance of trade and employment in Britain.

The SMMT also calculated that if Britain remained in the Community, its vehicle exports to the Common Market could treble by 1985.

Mr. Bateman, who recently visited the European Parliament in Strasbourg, where he met a number of Commissioners, said yesterday that our partners in the Community wanted us to succeed for their own sakes.

They were not capricious, vindictive people who would be pleased to hurt Britain. "Our success would be their success; our failure, their failure. They are not so foolish as to hurt us when by doing so they would hurt themselves."

Mr. Bateman argued that the Commission and the Parliament had an ideal to build a new Europe in which the partners would never fight against each other but administer self help

The EEC Commission has approved Britain's plan to rescue British Leyland. Full story, Back Page. David Watt, Page 21 Referendum news, Pages 12 and 13; Letters, Page 21

—economically, socially and politically—so that they would be an influence for peace. "Are we too lazy or too cowardly to join in this magnificent enterprise?" he asked.

For the anti-Marketeers, Mr. Frank Allaun MP, a Left-wing member of Labour's national executive, claimed last night that behind the pro-Market campaign were "powerful warmongers with cold-war motives."

The last thing these militarists wanted, he said, was peace or a relaxation of East-West tension. It was bare-faced hypocrisy for such gentlemen to talk about uniting Europe. On the contrary, they wanted to harden the division between Eastern and Western Europe.

Mr. Allaun said that if the electorate did not vote to leave the Market, the "provocative plan" of Lord Carrington, Mr. Heath and Nato secretary-general Dr. Joseph Luns for an Anglo-French nuclear bombing force would be put into operation. The danger was not a war between Britain, France and Germany, he said, but a war between East and West.

At the daily London press conferences the Antis and Pros waged a mini-battle of shopping baskets.

Mrs. Barbara Castle tried to show how expensive it is to shop in Brussels, and on the other side a housewife attempted a similar operation to demonstrate how costly had been her shopping expedition to the capital of an EFTA country, Oslo.

Mr. Christopher Frere-Smith, chairman of the Get Britain Out Campaign, said that the pro-Marketeers were "grossly over-egging the pudding" and the support for the Yes vote in the referendum had consequently declined sharply.

He claimed that there had been a swing from the Yes camp to the "don't knows" of between 15 and 20 per cent. in the past week. Therefore the result of the referendum was now "wide open." The pro-Market campaign had exposed its weaknesses too early, he said, and people were reacting against the "hysteria that emanated from it."

Earlier the Prime Minister said in a BBC radio interview that he was confident personal clashes between his Ministers

Continued on Back Page

Textiles slump hits Courtaulds

BY MARGARET REID AND RHYS DAVID

EFFECTS of the world textile industry's problems on major British companies were reflected yesterday in Courtaulds' statement that its current results were suffering from the "acute" textile recession and in an unexpected decision by Coats Patons to pass its final dividend.

In the stock market, shares of Courtaulds, whose 1974 pre-tax profits of £125.7m., against £116.3m. in 1973, were better than expected, closed 11p up at 140p. Those of Coats Patons, which is making a one-for-25 scrip issue of shares and whose pre-tax profits for last year were £6.8m. down at £47.3m., fell 6½p to 48½p.

Coats Patons' finance director, Mr. Charles Wallace, said last night that the company was convinced, on the best legal advice, that the planned scrip issue would not be taxable. Under the proposals in the last Budget only scrip issues of shares offered as alternatives to dividends at the shareholder's option were subjected to taxation as investment income and that was not the position in this case.

There were some signs yesterday of restiveness among institutional shareholders at Coats Patons' unusual decision to pay no final dividend, particularly since the company stressed "there is no cash crisis, any more than there is a trading crisis." It added that there were unused borrowing facilities of at least £40m.

The decision, which it was emphasised yesterday was a once-for-all move, has been made to conserve cash. Of two major problems stressed by the group, whose chairman is Mr. Charles Bell, one is inflation, calling for an extra £37m. of working capital, £2m. more than cash flow in 1974.

The other is taxation, under which a multinational company earning most of its profits abroad "is denied effective double tax relief when dividends are paid out of profits which have not borne a full charge to corporation tax." Payment of a final dividend at the 1973 level would have absorbed £7m. more cash.

Courtaulds, whose worldwide sales last year rose 18½ per cent. to £1,134m., but whose pre-tax profits fell to £46.4m. in the second half from £79.3m. in the first, pointed yesterday to a substantial setback in its results so far this year compared with 1974.

"Trading results in the first half of 1975 are suffering from the acute recession in world textile business and a sharp downturn in the group's packaging business" said the Board, headed by Lord Kearton.

But it expressed confidence that the setback, though severe, would prove temporary, adding that the group was exceptionally strong in its own field of activities and would benefit correspondingly when trade returned to more normal levels. Meanwhile, adequate liquidity was assured.

Courtaulds' second half results, Page 23; Coats Patons' results Page 25

FEATURES

ON OTHER PAGES

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LOMBARD

The undermining of our morale

BY C. GORDON TETHER

IS IT no more than a coincidence that, just as we move into the final stages of the EEC referendum battle, the American Press has launched a series of major articles—all of which have been accorded wide publicity in this country—the upshot of which is that Britain is on its last legs? Or is there a connection between this phenomenon and the great campaign that our own pro-Marketeers have been developing, in conjunction with their business community allies, to convince us that our plight is now so grave that the one remaining hope of survival lies in jumping at the opportunity to obtain shelter in the EEC "sanctuary"?

When historical researchers start re-creating the background to old political struggles in their search for the truth, they discover as often as not that the apparent "coincidence" was, in reality, carefully plotted. And remembering that those whom the Gods wish to destroy they first make mad, would it be altogether surprising to find that the sudden outbreak of "Britain-bashing" on the other side of the Atlantic is not the wholly spontaneous affair that at first sight it may appear to be?

After all, the pointers to impending doom that Britain's American detractors have been harping upon with such enthusiasm during the past few weeks—loss of faith in the leadership, the decline in patriotism, and so forth — have been in evidence for some time past. They are also to be discerned, as it happens, in greater or lesser degree in nearly all the other industrialised countries — not least in the U.S. itself.

Co-ordinated

It is difficult, therefore, to believe that the timing of what savours, for all the world, very much of an outside attempt to undermine the morale of the British people is wholly without significance — remembering that they are about to take a decision of the most crucial importance for their future.

What cannot be denied is that, whether by accident or design, this barrage ties in very neatly with a campaign — also seemingly closely co-ordinated — that our home-based pro-Marketeers have been mounting.

This serves to sap the nation's morale by relentlessly hammering home the defeatist message that the country must meekly creep under the wing of the great hen of Brussels or face virtual extinction.

"Those who think that this country can exist on its own for a moment longer," proclaim Messrs. Heath, Thorpe, Jenkins et al, in chorus, "are living in cloud cuckoo land." And they speak as though this was a truth so self-evident that it would be absurd to expect them to provide them any supporting evidence.

Assiduously backing them up—all other dissensions forgotten—are the businessmen. There is hardly a business association in the country that has not been prepared to risk compromising its credibility by announcing that Britain has become so heavily dependent on her present identification with the EEC for survival that it would be disastrous to leave the Community.

And it is becoming increasingly difficult to find a chairman's annual statement that does not slavishly feature a repetition of this highly debatable proposition, along with the assertion that the interests of the firm and its employees will be seriously jeopardised if Britain comes out—this whether or not the company's circumstances are such that there are any solid reasons for thinking that it would really be materially affected by such a development.

Hard to see

There is, needless to say, nothing wrong with our country that adequate leadership will not rapidly cure. And, seeing that Britain possesses two immense advantages that are denied to many other countries—a large overseas investment income and access to considerable domestic fuel resources — there is absolutely no reason for thinking that it cannot go on standing on its own two feet in the same way as dozens of other countries which have to manage without these aids do quite successfully.

Since most of those who are working so hard to undermine the nation's faith in itself are sophisticated enough in the economic and financial senses to be aware of these fundamental truths, it is obviously essential to question the motives underlying their defeatist propaganda. If having done so, we still have any doubts as to whether we should resist such soul-destroying indoctrination or not, there is one thing of which we should remind ourselves.

It is that, in one way or another, most of them are identified with the wrong-headed philosophies that have brought us to our present pass. If there is a better reason for doing precisely the opposite of what they recommend, it is hard to see what it could be.

RACING — BY DOMINIC WIGAN

Sir Something to-day

BARRY HILLS, whose powerful South Bank, Labourn, team, has begun to turn out its customary flow of winners after a slow start to the season, still has hopes that the American-bred *Sir Something* will prove up to classic standard.

This strongly-made bay Sir Ivor colt who cost $80,000 as a yearling, has failed to oblige on his four previous racecourse appearances.

However, I shall be disappointed if he cannot get the better of the opposition in to-day's Halliford Maiden Plate (3.00) at Kempton.

On his most recent outing, *Sir Something* came close to breaking his duck when sent to Chester to tackle Consol and five other promising three-year-olds in the £5,000 Chester Vase.

There, the South Bank colt, after running prominently from the outset, failed by only one and a-half lengths to hold the detremined late challenge of Harry Wragg's Shantallah.

It seems unlikely that there is anything in to-day's field of Shantallah's calibre and I envisage *Sir Something* earning himself a place in the Derby line-up by winning at the main expense of either Ribbentrop, a good third of 22 behind Felstoun at Newmarket on his only previous outing, or Maina's half-brother, Tiger Trail, who has also shown promise in maiden company.

KEMPTON
2.00—Zipperdi-doo-Dah
2.30—Vilgora
3.00—Sir Something***
3.30—Deodar*
4.00—Busted Fiddle**
4.30—Hay Ride

PONTEFRACT
6.55—Short Reign
7.20—Swinley Forest
7.45—Dana's Return

STRATFORD
6.30—Anglesey Royal
7.00—Mr. Savin
7.30—Silver Falcon

There can be few more improved colts in training than Fulke Johnson Houghton's three-year-old, Yamadori, and many will expect him to gain a fourth consecutive success by landing the tricky Mark Hall Stakes (3.30), a handicap over seven furlongs.

This chesnut Mountain Call colt for whom the addition of blinkers this campaign appears to have been a shrewd move, may well come out on top again; but one whom I'd rather take a chance with is Michael Stoute's course winner, *Deodar*, who appears to be well-treated with only 8 st 4 lbs.

Three weeks ago at Salisbury, Captain Ryan Price sent out *Busted Fiddle*, a well-made half-brother by Busted to Majesty, to land a division of the 1½-mile Wincanton Plate, and if, as I believe, this colt is rapidly improving he should not fail in the Singer Company Stakes (4 o'clock).

Red Sun, a 12 lengths' winner from Blusfery here in March, may follow the Findon colt home.

For those looking for a tote jackpot banker, *Hay Ride*, among the runners for the Rivermead Maiden Plate (4.30) appears to be the obvious answer. Lester Piggott's mount, a length runner-up to African Winner at Windsor a fortnight ago, is a confident choice to go one better.

SALEROOM — BY ANTONY THORNCROFT

Tobacco figures popular

In the early 17th century, when tobacco was introduced to this country, merchants placed wooden figures of "blackamoors" outside their shops to guide potential and perhaps illiterate, customers. Originally the figures were of pot-bellied natives of the Guinea coast, with deformed feet, but by the 18th century they had become more refined, and resembled European comedians.

In the 18th century, David Wishart, an Edinburgh man, placed a six foot carved Highlander outside his tobacconist's shop in the Haymarket, and the tradition developed that Highlanders, shown holding snuff mills, were not only a sign of high quality snuff and tobacco, but also a safe place for Jacobites to dream of the King coming into his own again.

A collection of 52 carved wooden figures, mainly of the 18th century, assembled by the late Charles G. Shaw of New York, came up for sale at Christies yesterday. They were sold for £14,168, with the best examples going for more than anticipated and run-of-the-mill stuff rather limping home. But all the lots were sold.

Not surprisingly, tobacco companies were among the keenest bidders, especially the Germans. Villiger, a Swiss cigar firm, paid £1,312.50 for a pair of black boys with tobacco leaf headdresses, holding tobacco leaf rolls. They were made around 1710. A private buyer gave £609 for a black boy, similarly girded, but made around 1780.

Another keen buyer was the German cigar company of Doren, which paid £588 for a bearded Highlander holding a pinch of snuff and also made about 1780, and £500 each for two Highland soldiers, wearing kilts and holding the inevitable pinch of snuff.

In the morning, Christie's had sold oak and pewter, with prices for the most part above estimate. An oak cupboard with a moulded cornice and linen fold panelling sold for £1,932 to a private buyer, and a Charles II walnut gateleg table made £1,260.

A record price in the rather esoteric world of Baxter Prints was established at Phillips when £160 was paid for a Le Blond oval print "The Dancing Dogs." The previous best price had been £55. The sale totalled £6,751.

At Sotheby's there was a routine sale of silver and plate which realised £42,129. The top price was £1,700, paid by the London dealer J. Simons for a set of 12 French dinner plates by Jacques-Gabriel Genu, made in Paris around 1820, and also by another London dealer, H. R. Jessop, for a James II tankard of 1685. Also at Sotheby's a sale of Old Master drawings totalled £24,477, with a top price of £680 for a gouache by Jacob-Phillipe Hackert of a "River landscape with a ruined castle."

At Sotheby's, Belgravia, prices were above expectations for 19th and 20th century Wedgwood. The sale totalled £23,876, with a best price of £780 for a pair of bronzed and gilt black basalt urns from the second half of the 19th century. A rare hand signed fairyland footed bowl by Daisy Makeig-Jones, made in 1925, fetched £750.

16.6m. calls on the weather

LAST YEAR 16.6m. calls were made to the Post Office weather-by-telephone service—over 1m. more than in the previous year.

The weather information service is available at 54 centres in Britain. It provides local forecasts, given as recorded messages updated at least three times a day. These can be updated more frequently when necessary.

ENTERTAINMENT GUIDE

OPERA & BALLET

COVENT GARDEN. 240 1911. THE ROYAL OPERA. Tonʼt. & Mon. 7.30 King Priam. Tomor. & Wed. 7.30 Il Barbiere di Siviglia. Cond.: Atherton. Tues. 7.00 La forza del destino. Thurs. 7.30 Madama Butterfly. Seats avail. exc. Sat. & Wed.

GLYNDEBOURNE FESTIVAL OPERA. Until August 6 with the London Philharmonic Orchestra. Today & Sun. at 5.30 The Cunning Little Vixen (Janacek) Tomorrow & Wed at 5.15 Yevgeny Onyegin (Tchaikovsky) Tkts. Today at £10.80 & £11.90, but any left unsold will be offered at 2 for the price of 1. Tomorrow possible returns only. Box Office Glyndebourne, Lewes (Ringmer 812411), & Ibbs & Tillett, 124, Wigmore Street. (01-935 1010).

NEW LONDON. 405 0072. June 2-21. The Original TROCKADERO GLOXINIA BALLET COMPANY — The all-male ballerina company. Now booking. Prog. 1: Special red. price prev. Mon. 7.30, then Thur. 8.0 Fri. 5.0, Sat. 8.30; Prog. 2: Opens Tues. 7.30, then Wed. 8.0, Fri. 8.30, Sat. 5.0.

SADLER'S WELLS THEATRE, Rosebery Ave., E.C.1. 837 1672. Tonight & tomor. 7.30. THE GOTHENBURG BALLET in Bournonville's Napoli (Full length). From Monday THE TOKYO BALLET.

THE ROYAL BALLET AT BATTERSEA PARK 240 1911. From Monday June 2. Mon., Tues. & Wed. 7.30: Swan Lake. Thur. 1.30: Giselle. Thur. & Fri. 7.30, Sat. 2.30 & 7.30: Concerto, Giselle. Seats avail. except Mon. Bkgs. day of perf. 01-240 1066 until 5 p.m. then at Battersea Park.

WIMBLEDON. 01-946 5211. For 1 week. Tnt. 7.30, tmr. 2.30 & 7.30. THE TOKYO BALLET. Japan's world famous ballet company in THE NUTCRACKER. "Resounding success." D. Tel.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs. Sat. 3.00. "JEAN SIMMONS returns in triumph." E.N. HERMIONE GINGOLD "Fabulous woman." D. Mirror. JOSS ACKLAND "Beautiful performance." Observer. A LITTLE NIGHT MUSIC. "MUSIC THAT RAVISHES THE SENSES. A SHOW KISSED WITH GENIUS." Gdn.

ALBERY. 836 3878. Tonight & Tomorrow at 5.15 & 8.30. DOROTHY TUTIN, PETER EGAN, DOROTHY REYNOLDS. J. M. Barrie's Comedy WHAT EVERY WOMAN KNOWS. "Excellent. Outside subsidised theatres there is nothing to touch it in London." F.T. "Superb. A triumph." Daily Mail. Last 2 days. Must end Tomorrow.

ALBERY. 836 3878. Red. price prevs. from June 6. Evgs. 8. Sats. 6 & 8.15. Opens June 16 at 7. JUDI DENCH, DANIEL MASSEY. THE GAY LORD QUEX with SIAN PHILLIPS. Directed by JOHN GIELGUD.

ALDWYCH. 836 6404. THE RETURN BY PUBLIC DEMAND of the RSC in TOM STOPPARD'S award-winning TRAVESTIES. "It is a champagne cocktail." S. Tel. (Evgs. 7.30. Mat. tomor. 2.30—ends July 12.) Recorded booking information 836 5332.

AMBASSADOR'S. 836 1171. Mon.-Thur. 8.15, Fri. 5, 8.15. Sats. 5.30 & 8.45. £5 Theatre and Dinner £5. THERE GOES THE BRIDE. Top price ticket plus 3-course set dinner at a delightful nearby restaurant with wine, coffee, service and VAT ALL INCLUDED. £5 per head. Prices without dinner £2.50, £2.00 and £1.00.

AMBASSADOR'S. Also late-Night Revue at 11.15 p.m. to 12.15 (All seats £1). HINGE AND BRACKET. SIXTY GLORIOUS MINUTES.

APOLLO. 437 2663. Evenings 8.0. Mats. Thurs. 3.00. Sats. 5.00 and 8.30. MARGARET LEIGHTON, ALEC GUINNESS in A FAMILY AND A FORTUNE.

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant temp. membership available. 15p. Evenings Tues. and Sun. at 8.00. King's Head Theatre Production KENNEDY'S CHILDREN. "THE PLAY IS FANTASTIC." Observer.

CAMBRIDGE. 836 6056. "MUSICAL HIT OF THE SEASON." E.N. Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO. "TERRIFIC ENTERTAINMENT." S. Exp. Evgs. 8.00. Thurs. Sat. 5.30 and 8.30.

CHICHESTER. 0243 86333. Tonight, May 31, June 2, 4 at 7.0. AN ENEMY OF THE PEOPLE. May 31, June 5 at 2.0. June 3 at 7.0 CYRANO DE BERGERAC.

COLISEUM. (01-836 3161). WUSHU OF CHINA. Martial Arts from Peking. Last Perfs. Tonight & Tomorrow at 2 & 8.

COMEDY. 930 2578. Evgs. 8.00. Sats. at 5.30 and 8.30. Matinees Thurs. 3.00. "The delectable HAYLEY MILLS." D.T. PETER DONAT, LEIGH LAWSON. "Samuel Taylor's Joyous Comedy." E.N. A TOUCH OF SPRING. "Effervescent direction by Allen Davis." F.T. "The AUDIENCE were WEAK with LAUGHTER." F.T. "THIS FROLIC IS SUCH FUN." E.N.

CRITERION. 930 3216. Red. price prevs. Evgs. 8. Sats. 5.30, 8.15. Opens Thurs. at 7. Subs. 8. Sats. 5.30, 8.15. GERALDINE McEWAN, RODERICK COOK, JAMIE ROSS. "OH COWARD!" A musical comedy revue with words and music by Noel Coward.

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY. A New Musical. "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS THEATRE. 836 8243. Evenings 8.00. Fri., Sat. 6.15 and 9.00. ALIVE ON STAGE. OH! CALCUTTA! OVER 1,500 PERFORMANCES. "BREATHTAKINGLY BEAUTIFUL." S. Tel. "THE NUDITY IS STUNNING." D. Tel.

DUKE OF YORK'S. 836 5122. Last perfs. Tonight at 8. Tomor. 5 & 8. Anna NEAGLE, Tony BRITTON, Alan GIFFORD in William Douglas Home's THE DAME OF SARK. "SUPERB." Harold Hobson. Season must end tomorrow.

DUKE OF YORK'S. 836 5122. From Mon. Evs. 8. Sats. 5 & 8.30. Thurs. at 3. BERYL REID, MALCOLM McDOWELL, RONALD FRASER. ENTERTAINING MR. SLOANE by JOE ORTON.

FORTUNE. 836 2238. Evenings at 8.00. Sats. 5.30 and 8.30. Thu. 2.45 red. prices. SLEUTH. "THE BEST THRILLER EVER." N.Y. Times. 6th GREAT YEAR.

GARRICK. 836 4601. Evgs. 8.0 sharp. Sat. 5.00 and 8.30. Red. price Wed. 3.00. ROBERT STEPHENS in MURDERER by ANTHONY SHAFFER. BRILLIANT & EXCITING.

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR. Evening Standard Drama Award. TOM COURTENAY in THE NORMAN CONQUESTS by ALAN AYCKBOURN. LIVING TOGETHER Tnt Mon. Wed. 8.15; R'ND & R'ND THE GARDEN Tomor. 5.30 Tu. Th. 8.15; TABLE MANNERS Tomor 8.30, Wed. 3.0.

GREENWICH. 858 7755. CHARADES Tnt. 8.0, tomor. 2.30 and 8.00. A JOURNEY TO LONDON.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30, Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION. "An excellent evening's entertainment ... An enthralling story." —Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Opens June 7 at 6.0. Subs. Evgs. 8.0. Fri., Sat. 6.0 and 8.40. HAIR. NOW BOOKING.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening Standard Drama Award '73.

LYRIC. 437 3686. Evenings 8.0. Fri. 8.30, Thurs., Sat. 5.00 and 8.30. JOHN, PAUL, GEORGE, RINGO ... AND BERT. Evening Standard Award — BEST MUSICAL OF THE YEAR. Plays and Players Award — BEST MUSICAL OF THE YEAR.

MAY FAIR. 629 3036 and 493 2031. Evenings 8.15. Sat. 5.00 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER. "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evgs. 8.00. Mat. Thurs., Sat. 3.00. Bernard Shaw's THE DOCTOR'S DILEMMA. "Gorgeous and Funny." Guardian. FULL DINNER MENU, WINE AND BEST THEATRE SEAT FOR £4.35.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Tonight, Mon. & Tue. 7.30. Tomorrow 2.15 & 7.30: Henrik Ibsen's JOHN GABRIEL BORKMAN. Wed. 7.30, Thurs. 2.15 & 7.30: HEARTBREAK HOUSE. Some seats held for sale day of performance from 10 a.m.

OPEN AIR, Regent's Park. 01-486 2431. New Auditorium opening delayed. THE TAMING OF THE SHREW plays Round House June 3-July 5. A MIDSUMMER NIGHT'S DREAM opens here July 16.

OPEN SPACE. 580 4970. (Temp. m'ship) Nightly 8.0 (ex. Mon) MEASURE FOR MEASURE. Adapted and directed by Charles Marowitz. "A fascinating exercise in textual tampering." D. Tel. "Fascinating ... a magnificent visual emblem." Gdn.

PALACE. 437 6834. Mon.-Thurs. 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 437 7373. Evenings 7.30. Mats. Wed., Sat. 2.45. TOMMY STEELE IN LONDON'S MOST BEAUTIFUL MUSICAL HANS ANDERSEN. "SUMPTUOUS SPECTACLE. SPLENDID SONGS. IT'S WONDERFUL." Dly. Exp. SEATS AVAIL. THEATRE AND AGENTS.

PHOENIX. 01-836 8611. Until June 7. Evenings 8.0. Sat. 5.30 & 8.30. MIRIAM KARLIN in DIARY OF A MADAME. "UNFORGETTABLY TOUCHING, AS WELL AS FUNNY." D. Tel. Comm. June 10 GODSPELL.

PICCADILLY. 437 4506. Evgs. 8. Sats. 5.30 and 8.30. Mats. Wed. at 3. JIMMY JEWEL, ALFRED MARKS in NEIL SIMON'S THE SUNSHINE BOYS. "Audience rocking in their chairs." D. Express. "A laugh a minute." D. Tel. "Continuous laughter." Ev. Std.

PRINCE OF WALES. 930 8681. Evenings 8.00. Mats. Wed., Sat. 3.00. JAMES STEWART in HARVEY. "Heartwarming triumph." Ev. News. LIMITED SEASON ONLY.

QUEEN'S. 734 1166. Last week. Tonight 7.30, tomor. 4.45 and 8.15. FRANK FINLAY, JOAN PLOWRIGHT. SATURDAY SUNDAY MONDAY. Directed by FRANCO ZEFFIRELLI.

RAYMOND REVUE BAR THEATRE. 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75.

REGENT. 323 2707. Evenings 8.30. Fri., Sat. 7.00 and 9.15. 10th MONTH OF SENSATIONAL STAGE SHOW OF THE '70s. LET MY PEOPLE COME. An ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. Opens Tues. at 7. Subs. Mon.-Fri. at 8. Sat. 5 & 8.30. Mats. Wed. & Thur. 2.00. Zoe Wanamaker, Jeremy Irons. THE TAMING OF THE SHREW.

ROYAL COURT. 730 1745. JOE ORTON FESTIVAL. Prevs. Evgs. 8. Sats. 5, 8.30. Opens Tues. at 7. Subs. Evgs. at 8. Sat. 5 & 8.30. JILL BENNETT, PHILIP STONE. LOOT.

SAVOY. 01-836 8888. Evenings 8.00. Sat. 5.00 and 8.15. "ALASTAIR SIM at his best." D. Tel. RON MOODY, SANDY NICHOLS. THE CLANDESTINE MARRIAGE. Directed by IAN McKELLEN.

SHAFTESBURY. 836 6596. Mon.-Fri. 8.0. (Mat. Friday 5.0. Reduced 75p-£1.50) Sat. 5.30 and 8.30. WEST SIDE STORY. "Bursting to life with undiminished theatrical excitement." S. Tel. "A definite winner. I strongly recommend it." F.T. "Miracle." Guardian. "Brilliant." S. Tel.

SHAW THEATRE. 01-388 1394. Previews nightly 7.30—all seats 70p. Opens June 4 at 7.00. Subs. 7.30. SUSAN HAMPSHIRE in AS YOU LIKE IT.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 5.00 and 8.00. Agatha Christie's THE MOUSETRAP. World's longest-ever run. 23rd YEAR.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN, RICHARD CALDICOT, ANDREW SACHS. NO SEX PLEASE, WE'RE BRITISH. LONDON'S LONGEST LAUGHTER HIT.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 Revue A TOUCH OF VENUS and at 11 p.m. DICKIE HENDERSON. Opening Monday June 2 DAILEY AND WAYNE.

VAUDEVILLE. 836 9988. Evenings 8.0. Mat. Tues. 3.00. Sats. 5.30 and 8.40. MILLICENT MARTIN, AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR. Best Comedy of Year. E. Std. Awards '73.

VICTORIA PALACE. 834 1317. Evgs. 8.0. Wed., Sat. 6.0 and 8.45. MAX BYGRAVES in SWINGALONGAMAX. New Song and Laughter Spectacular with Rogers and Starr, Bobby Crush, Denise Keene & Happy and Felt Co.

WESTMINSTER. 834 0283. Last week. Tonight & tomor. 5.30 & 8.30. NIGEL PATRICK, DULCIE GRAY, PETER SALLIS, PETER VAUGHAN, BRIAN WILDE in the Thriller THE PAY-OFF. "Immensely enjoyable. Undiluted pleasure. Witty. Exciting." Sunday Times.

WHITEHALL. 930 6692-7765. Evgs. 8.30. Wed. & Sat. 6.15 and 8.45. PAUL RAYMOND presents THE CONFESSIONS OF A SEX STAR. SNATCH 69. FANTASTIC HILARIOUS EROTIC ENTERTAINMENT.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN — "ARE YOU BEING SERVED?" Twice Nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Evenings at 8. Sat. 5 and 8.30. Mats. Wed. 3.00. "PAUL SCOFIELD as Prospero SHOULD NOT BE MISSED ON ANY ACCOUNT." B. A. YOUNG, Financial Times. (Limited Season) THE TEMPEST.

YOUNG VIC (by Old Vic). 928 6363. Tnt. 8. R + G ARE DEAD.

CINEMAS APPEAR TO-DAY ON PAGE 31

TV Radio

Because of an industrial dispute some ITV programmes may not appear.

† Indicates programme in black and white.

BBC 1

12.25 p.m. Eisteddfod yr Urdd. 12.55 News. 1.00 Pebble Mill Garden Party. 1.45 In the Town. †3.58 Regional News (except London). 4.00 Play School. 4.25 The Mole. 4.35 Jackanory. 4.50 Roy Castle Beats Time. 5.15 Devlin. 5.40 Roobarb.
5.45 News.
†6.00 Nationwide.
†6.45 Sportswide.
7.05 Cartoon time.
7.10 The Wonderful World of Disney.
8.00 It's a Knock-out.
9.00 A Referendum Campaign Broadcast on behalf of Britain in Europe: Why you should vote YES.
9.10 News.
9.35 The Dimbleby Talk-in.
†10.10 "Psycho," starring Anthony Perkins, Janet Leigh and Vera Miles.
11.55 The Sky at Night.

All Regions as BBC 1 except at the following times:—

Wales—6.00-7.05 p.m. Wales To-day. 7.10-7.30 Heddiw. 7.30-8.00 Eisteddfod yr Urdd. 9.35-10.10 Week In Week Out. 11.55-12.18 a.m. Dewch i Siarad—am Gymru.

Scotland—6.00-7.05 p.m. Reporting Scotland. 12.17 a.m. Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. †12.17 a.m. Northern Ireland News Headlines.

England—6.00-7.05 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
†5.00 p.m. Open University.
7.05 All in the Mind.
7.30 Newsday.
7.45 Family Fare.
8.10 The Money Programme: Germany — Beyond the Miracle.
9.00 A Referendum Campaign Broadcast on behalf of Britain in Europe.
9.10 The Balloon Game.
9.35 Private Affairs.
10.25 The Old Grey Whistle Test.
11.15 News Extra.
11.35 Closedown: Richard Bebb reads "Remembrance" by Sir Thomas Wyatt.

LONDON

11.00 a.m. Animated Classics. 11.45 Manfred. 12.00 Rainbow. 12.15 p.m. A Handful of Songs. 12.30 Songs That Stopped the Shows. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Paint Along With Nancy. 2.00 Good Afternoon. †2.30 "Lydia," starring Merle Oberon and Joseph Cotten. 4.20 Follyfoot. 4.50 Magpie Special. 5.20 Cartoon.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Husband of the Year.
7.30 Shut That Door!
8.00 Caribe.
9.00 The Main Chance.
10.00 News.
10.30 EEC Referendum.
†10.45 The Friday Film: "Off Beat," starring William Sylvester and Mai Zetterling.
12.15 a.m. My Song is Freedom.

All ITV Regions as London except at the following times:—

ANGLIA

11.35 a.m. Who Cares? 1.25 p.m. Anglia News. 2.00 Food File. †2.30 Friday Afternoon Film: "About Mrs. Leslie." 4.25 The Romper Room. 5.20 Follyfoot. 6.00 About Anglia. 8.00 The Six Million Dollar Man. 10.40 Kung Fu. 11.35 Men Who Matter.

ATV MIDLANDS

11.30 a.m. Mr. Piper. 1.20 p.m. Lunchtime Newsdesk. †2.30 Friday Matinee: "The Law and the Lady," starring Greer Garson and Michael Wilding. 5.20 The Flintstones. 6.00 ATV Today. 7.30 Hawaii Five-O. †10.40 "Eye of the Devil," starring Deborah Kerr, David Niven and Donald Pleasence.

BORDER

10.35 a.m. Yoga For Health. 10.55 Hammy Hamster's Adventures on the Riverbank. 11.05 Untamed World. 11.30 Who Cares. †1.25 p.m. Border News. 2.00 Women Only. 2.30 Friday Matinee: "Let's Dance," starring Betty Hutton and Fred Astaire. 5.20 The New Adventures of Superman. 6.00 Border News and Lookaround. 7.30 The Six Million Dollar Man. 10.40 Border Forum. †11.10 Late Night Film: "Black Torment" starring John Turner. †12.35 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.30 The Friday Matinee: "Ransom." 5.20 Untamed World. 6.00 Report at Six. 7.30 Kung Fu. 8.30 Shut That Door! 10.30 Tales of Edgar Wallace. 11.25 The Adventurer. 11.55 News and Weather in French.

GRAMPIAN

11.10 a.m. A Matter for Decision. 11.30 Documentary: Who Cares? 1.20 p.m. Grampian News Headlines. 2.00 Women Only. †2.30 Friday Matinee: "Only the Valiant," starring Gregory Peck. 5.15 Wait Till Your Father Gets Home. 6.00 Grampian News. 6.10 Grampian Week. 7.00 The Friday Movie: "Hangman's Knot," starring Randolph Scott. 8.30 Shut That Door!! 10.40 Conference Report. 11.10 Streets of San Francisco, followed by Road Report. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Around the World in 80 Days. 9.50 Sesame Street. 10.45 Morning Movie: "Black Water Gold," starring Ricardo Montalban. 1.20 p.m. This is Your Right. †2.30 Friday Matinee: "The Captive Heart," starring Michael Redgrave. 5.15 Cartoon. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Randall and Hopkirk (Deceased). 8.00 Hawaii Five-O. 10.40 Granada Profile. †11.10 The Friday Film: "Monkey on My Back," starring Cameron Mitchell. †12.50 a.m. Douglas Fairbanks Presents.

HTV

11.30 a.m. Who Cares? 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 The Friday Matinee: "Anything Goes," starring Bing Crosby, Mitzi Gaynor and Donald O'Connor. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Friday Mystery Movie: Banyon. 8.30 Shut That Door!! 10.45 Cinema. 11.10 U.F.O.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Cestyll Cantamil. 6.01-6.18 Y Dydd. 10.40-11.10 Eisteddfod.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

10.05 a.m. Feature Film: "Namu, The Killer Whale." 11.30 Documentary—Too Many Hours in a Day. 1.25 p.m. Road and Weather Report. 2.00 Housecall. 2.30 Friday Matinee: "The Long Long Trailer," starring Lucille Ball. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Flintstones. 7.00 Ways and Means. 7.30 The Streets of San Francisco. 8.30 Shut That Door!! 10.30 Scottish Referendum Broadcast. 10.45 Conference Report. 11.15 Late Call. 11.21 Feature Film: "The Victim."

SOUTHERN

11.30 a.m. Who Cares?. 1.20 p.m. Southern News. 2.00 Houseparty. 2.30 The Friday Matinee: "September Affair," starring Joan Fontaine. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66). 6.35 Husband of the Year. 7.05 The Six Million Dollar Man. 8.30 Love Thy Neighbour. 10.40 A Southern Report. 11.10 Southern News Extra. 11.20 Police Story.

TYNE TEES

10.35 a.m. Starting Point. 10.40 Ed Allen Time. 11.00 Hammy Hamster's Adventures on the Riverbank. 11.10 Here Comes the Future. 11.30 Who Cares? †2.30 p.m. The Friday Film: "Kisses for My President," starring Fred McMurray. 4.20 The Count of Monte Cristo. 5.20 Follyfoot. 6.00 North East News. 6.05 Division—On Europe. 8.00 The FBI. 10.40 Sportstime. †11.10 The Friday Night Film: "Werewolf of London." 12.35 a.m. Late News Headlines. 12.40 Open Bible.

ULSTER

11.20 a.m. The Enchanted House. 11.30 Documentary: Too Many Hours in a Day. 1.20 p.m. Ulster News Headlines. 2.30 Out of Town. 3.00 Friday Matinee: "The Astronaut." 4.18 Ulster News Headlines. 5.20 The Amazing Chan and the Chan Clan. 6.00 UTV Reports. 6.25 Police Six. 7.30 Kung Fu. 8.30 Shut That Door! 10.40 Friday's Film: "The Man Who Could Cheat Death," starring Christopher Lee.

WESTWARD

10.10 a.m. Gay-Pur-ee. 11.05 Skippy. 11.30 Who Cares? 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. †2.30 The Friday Matinee: "Ransom," starring Glenn Ford. 5.20 Untamed World. 6.00 Westward Diary and Sports Desk. 7.30 Kung Fu. 8.30 Shut That Door!! 10.42 Westward Late News. 10.45 The Referendum ("It's Make Up Your Mind Time"). 11.25 The Adventurer. 11.55 Faith for Life.

YORKSHIRE

10.00 a.m. Ed Allen Time. 11.00 Hammy Hamster's Adventures on the Riverbank. 11.10 Dragon Squadron. 12.00 Hickory House. 1.30 Catch Kandy. 1.25 p.m. Calendar News. 1.30 Crown Court. †2.30 The Friday Film: "Cornered," starring Dick Powell. 4.25 The Count of Monte Cristo. 5.20 Follyfoot. 6.00 Calendar. 8.00 The FBI. †10.40 The Friday Night Film: "Reach For Glory," starring Harry Andrews.

RADIO 1 247m

(S) Stereophonic Broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Rosko's Round Table. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tony Brandon with The Early Show including 6.15 Pause for Thought (S). 7.02 Terry Wogan including 8.27 Racing Bulletin and 8.45 Pause for Thought (S). 9.02-11.30 Pete Murray's Open House including (S). 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland). 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Just for Fun. 7.30 Cricket Scoreboard. 7.32 Johnny Gregory conducts the BBC Radio Orchestra (S). 8.32 Friday Night is Music Night. 10.02 Sports Desk. 10.05 Len Jackson with Music Through Midnight (S) including 12.00 News. 12.33 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Mozart (S). 9.55 Anthony Milner and Robert Simpson: songs and Chamber music. 10.55 Music from Leeds Parish Church (S). 12.05 p.m. In Short. 12.10 Orchestral Concert, part 1: Haydn, Stravinsky (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2: Schumann (S). 2.00 Swansea University Recital (S). 3.05 Handel: The Chandos Anthems (S). 4.10 String Quartets (S). 4.50 Late Thoughts. 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Study on 3. 7.30 Bath Festival from Wells Cathedral: Monteverdi (S). 9.20 Music Now. 10.00 Manuel De Falla (S). 10.35 Words . . . (Christopher Serpell). 10.35 Haydn and Beethoven (S). 11.25 News.

Radio 3 (VHF only)—6.00 to 7.00 a.m. and 5.45 to 7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day. 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of To-day. 8.27 Sportsdesk. 8.35 To-day's Papers. 8.50 A Referendum Campaign Broadcast on behalf of the National Referendum Campaign: Why you should vote "No." 9.00 News. 9.05 Referendum Call. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 My Kind of Music. 11.50 Toby and his Uncle Jake. 12.00 News. 12.02 p.m. You and Yours. 12.27 Twenty Questions. ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour from Bristol, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain 1975. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book At Bedtime. 11.00 The Financial World To-night: Radio 4's International Business Report: Market Trends. 11.15 Borgo On . . . Beethoven (S). 11.40 News.

F.T. CROSSWORD PUZZLE No. 2,790

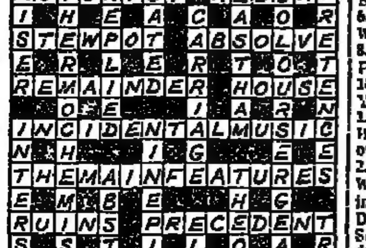
ACROSS

1 Point I have to follow in instruction (9)
6 Get through a narrow defile (4)
10 Received payment from firm (9)
11 Gather herb round the church (5)
12 Hold back and calm down (8, 7)
13 One's behaviour in standing a drink with some of the men inside (9)
15 Sorrow, or disaster when one comes to it (5)
17 To put out do employ this (5)
18 A scarf for one who consoles (9)
20 Trains with remorse and apologises (9, 6)
22 It's an illusion to play pranks (5)
23 Manuscripts for novel appearing before Sunday (9)
24 The drum for a dance (4)
25 The loose condition of an Orange? (4, 5)

DOWN

1 Painted at the palace? (9)
2 Revolves we hear in parts (5)
3 Prepares for action as a sailor does (6, 3, 5)
4 Entangle in string (7)
5 Finish the majority at the back (7)
7 Metal converter claims the change (9)
8 She gets a loud bundle (5)
9 Vegetables from Roger's in Greece (5, 9)
14 Balance supply with restricted noise (9)
16 Anticipation for oriental with nice perception (9)
18 Stop knitting and release the painter (4, 3)
19 Great part of service I've followed (7)
20 Go in for record (5)
21 Lariat or part of lariat actually (5)

SOLUTION TO PUZZLE No. 2,789



Covent Garden

Il barbiere

by MAX LOPPERT

So well-sung a revival as the Royal Opera gave us of *The Barber* on Wednesday craves indulgence for the mouldy creaking remains of the Malclès sets or the busy romp into which the many-times-rejigged production has degenerated. A new *Barbiere* is an urgent need for Covent Garden, of course, but as long as there is no financial likelihood of one materialising, a sterner producing hand than Andé Anderson's, and a cast always as strong as the present, could still unfold the comedy as pleasingly as was the music in this performance.

Rosina is not the latest cast change, but must take here precedence, because Frederica von Stade enacts her so winningly. She is an enchanting performer. The first aria was begun as though she really believed the audience had not heard it 3,000 times before, as though it were fresh and delightful to her, and a pleasure to share (her utterance, each time, of the name "Lindoro" cast up the shade of his presence, so sensible and thrilled was it). She commands the art of standing still, of being suddenly touching, of making one believe that Rosina's lot was truly as miserable as her resource is infinite. Though in the aria she perhaps needed to toy a little more freely with the decorations, by the time of the duet with Figaro agility alternated with phrasing eloquently and subtly stretched. I long to meet her Cinderella, her Isabella, her Isolier — she is clearly an uncommonly accomplished Rossini singer.

She was the spur to Luigi Alva's familiar Almaviva, returning to London vocally refreshed after a period when one thought the timbre was drying out, and as handsome and dapper in comic manoeuvre as ever. The Figaro, Bernd Weikl, went some way towards justifying Covent Garden's peculiar habit of casting this most garlicky and tangy of roles from well north of the Brenner Pass. His voice rang out brilliantly, though lacking definition at speed; his jokes were engaging, though a little too heavily spun out. Led like this, with the bonus of an orthodox, funny Italian Bartolo (Domenico Trimarchi) and spry conducting by David Atherton (taking over from the indisposed Comissiona), *Il barbiere di Siviglia* is still what Verdi said it was—"the most beautiful *opera buffa* in existence."

Earl's Court

The Osmonds

by ANTONY THORNCROFT

"Osmonds Rule OK" said one huge banner; "Smile an Osmond smile" threatened another. Anyone hoping, or fearing, that the popularity of the Mormon toothsome sixsome had been dented by the hysteria surrounding the brawny Bay City Rollers would have been straightened out at Earls's Court on Wednesday night when 14,000 frenzied girls re-affirmed their devotion to the Osmonds, the Osmonds official photographer, the Osmonds fan club secretary, and even the Osmonds butcher's wife's mother-in-law—well, they would have done if asked.

In fact it was just another Osmond concert. The smiles never wavered from the Osmond faces; the precision routines (an Osmond very rarely moves independently) were as Tiller-like as ever, as Osmonds played their guitars as one, boogied as one, sweated as one; the optimistic chat with the fans was as wholesome as ever.

If it wasn't for the greater attraction of the audience the Osmonds' stage act would be worth watching. They undoubtedly play their instruments and they sing in tune, and the show moves at a tremendous pace. With no song lasting more than two minutes a lot of musical territory is covered. Apart from the solo spots there is time for a rock and roll medley and a banjo reverie, and the group is on stage just long enough for the girls to tire themselves out with screaming but not to get over-exhausted.

The spectacle was helped by the use of a giant screen, which enabled the teenies at the back to see a picture of Donny if not the actual flesh, and judging by the super noise when he appeared he is still the attraction. By contrast, the noise was only at crescendo level when ten-year-old Jimmy did his Elvis impersonation (someone really must have a word with him about carbohydrates). All in all, it was a jolly good show. It is hard not to like the Osmonds and at least their act, and their approach to the fans, is pure enough to satisfy Mary Whitehouse. No parent need dread evil influences at an Osmond concert.

Afterwards it could be a different matter as scenes resembling the retreat from Moscow enlivened the vast arena. Most of the girls were satiated, but a few wept quietly on their friends' shoulders, and one or two actually sat and shrieked among the emptying seats. Long after it was all over, pairs of girls, tied together at the [illegible] by Donny scarves, wandered listless and vulnerable, down to Earls Court, their cheeks blackened by streaks of wet mascara. And after the daft escapism of the concert, Earl's Court is a nasty reality.

Corinne McCarthy

John Wood and John Quentin in Tom Stoppard's 'Travesties,' revived last night at the Aldwych.

Phoenix

Diary of a Madame

by MICHAEL COVENEY

Miriam Karlin's one-woman show, at this address for a fortnight, is a dramatisation by Frederick Bradnum based on Maria Kroll's *Letters From Liselotte*—the memoirs of the second wife of Louis XIV notoriously debauched brother: Liselotte was in a peculiarly good position to both enjoy and observe the flowering and decline of Versailles. Exported from Heidelberg, she lost neither head nor fatness in the studied elegance of her surroundings. Her old sable wrap starts a strange fashion; the lavishness of the Court's eating habits is a constant source of amazement; dressed in weeds of mourning for the ratty "Monsieur," she wonders whether or not 17 years of chastity constitutes a claim for a second virginity.

At the same time she casts a disenchanted, often sardonic, eye over events in the rest of Europe. Writing to her Aunt Sophie, the Electress of Hanover, she contemplates the future of the English monarchy with the wit and perception of a natural diarist. Miss Karlin conveys all this with both dignity and charm. The sheer gusto of Liselotte is ever present in her warm, strong playing — until the death of her eight grandchildren, the humiliation of her son, the death of the King himself and her own failing health force her into a paralysed, mute submission. Not, however, before glee at the death of the insidious Mme. de Maintenon and fury at the incompetence of the Versailles doctors in treating smallpox have been vigorously registered.

The subject matter is consistently interesting. But as a piece of theatre, the show is both clumsy and static. The changing seasons of extreme heat and cold are somewhat wilfully grafted on to emotional shifts of gear; costume changes are covered by interludes of Miss Karlin's recorded voice; and I suppose the producers consider descriptions of urination in the sweltering courtyards and the "Monsieur's" odd ways with rosary beads and candlesticks worth the word "outrageous" in their sub-title.

A scene from Frank Borzage's 'No Greater Glory.'

Cinema

Borzage and Boeing

by NIGEL ANDREWS

Frank Borzage
National Film Theatre
Toute une vie (X)
Odeon St. Martin's Lane
I Don't Want to be Born (X)
and
the Ghoul (X)
New Victoria

Whether it is that interest in the lesser known Holywood directors is strictly limited, or that the Screen magazine critics who have staged the season are afraid of doing anything so headstrong as actually publicising it, the new Frank Borzage season at the NFT looks like passing by completely unnoticed. It would be a shame if it did, because Borzage is one of those directors —the size of his personality not quite matching up to the size of his talent—who tend to get lost in the race for acclaim behind such giant self-publicists as Welles or Ford or Hawks. Yet some critics consider him the equal of a three. Born in Austria, Borzage came to Hollywood in 1913 as an actor, turned to directing in 1916, and during the twenties, thirties and forties turned out some of the most memorable comedies and romantic melodramas of the period.

The beauty of a Borzage film lies in the way it counterpoints a lush romanticism with a detailed and sardonic sense of social reality. The films *look* superb (and credit for this, in view of the diversity of cameramen he worked with, must go to Borzage), but the visual lyricism is constantly undermined by a social pessimism which isolates Borzage's heroes and lovers in a world which has little or no time for private emotions.

One of the spectres that looms largest in Borzage's work, for example, is that of militarism. Two of his finest films—*Three Comrades* (showing at the NFT on June 26 and 27) and *The Mortal Storm* (July 1 and 2)—deal with the conflict between the cruelty and conformism of pre-World War II Germany and the bewildered idealism of two young people in it who love each other. The seeds of Borzage's concern with militarism, furthermore, are evident as early as his 1934 film, *No Greater Glory* (NFT, June 16), a story of two rival street gangs who fight their battles with all the ardour and solemnity of real war. For once the spectacle of children playing at soldiers is presented not as an image of lovable high spirits but as a grotesque and sinister parody of adult aggression: and the film emerges as one of the most fascinatingly prophetic cinematic documents of the early 1930s.

Elsewhere, Borzage's great talent lay in his ability to confer a glowing, bitter-sweet romanticism on the most improbable of stories and settings. *A Man's Castle*, for example (NFT 11th June), tells the cynical-sentimental tale of two New York down-and-outs (Spencer Tracy and Loretta Young) who dream of, but never quite achieve, a better life. Out of the shanty town in which the couple live Borzage creates an enchanted landscape — a ramshackle, mysterious valley twinkling with strange lights. And while he spares few details of the couple's pinched existence, he confers on their scenes together an otherworldly tenderness and idealism that is wholly moving and convincing. If you want to see Hollywood romanticism at its most beguiling—and its least soft-centred—you can do no better than pay the Borzage season a visit. Twenty-five films strong, it runs until July 7.

★

Claude Lelouch's *Toute une vie* is about a young man and girl who meet on board a Boeing 747 bound for New York and fall instantly in love. That at least is what happens two minutes from the end of the film. The preceding 1 hour 59 minutes is devoted to showing us why and how it happens: to examining the forces that shaped the couple, from a portrait of their respective parents and grandparents to an account of their own lives up to the moment of meeting. (He is a petty thief turned film director: she is a wealthy socialite turned industrialist).

Starting in turn-of-the-century Paris with black-and-white film, speech titles and piano music, the film bowls brisky along through World War One, Depression America, World War Two, Kennedy's assassination, the "events" of '68, and ends up in a rosy Technicolor present where the mixture of Francis Lai and Gilbert Becaud on the sound track assures us — if we could ever have doubted it — that our story's time machine will make a happy landing in Lelouch country. Those who have been hooked on this French director's work since *Un homme et une femme* will heed no warning to stay away. Those who haven't will recognise the all-too-familiar mixture of souped-up New Wave visuals and cutely aphoristic dialogue, and think twice before sitting through what seems — even to a hardened critic — a very long 121 minutes.

★

The battered babies are back again. *I Don't Want To Be Born* is a British-made reprise of *It's Alive*, with Joan Collins and Ralph Bates as the parents of a homicidal baby who wreaks havoc in and around their expensive Chelsea apartment. Sharing a double bill with it is a more stylish, but hardly less silly, film called *The Ghoul*, in which visitors to Peter Cushing's mist-bound mansion in the West-country are done to death by something nasty in the attic. Whatever happened to the days when the British made cheap but imaginative horror movies?

One of the cheering things about this year's festival was the almost total disappearance of the old embattled split between "committed" and "escapist" cinema. By general consent the best of the new films were those, like Fassbinder's *Foxy* and Herzog's *Kaspar Hauser*, that blended a clear and deducible political message into an absorbing, self-sufficient dramatic narrative.

Fewer in number, the overtly political films on view seemed both maladroit and old-fashioned. There was Robert Kramer and John Douglas's *Milestones*, for example, a "Proustian" mosaic of modern American life which attempts to show how the country's youth has risen from the ashes of Vietnam into a new cultural utopia of free love, communal living and back-to-nature idealism. Gallant in conception, the film is fearsomely tedious in execution, and suffers from the kind of wilfully poor shooting—shaky camera work, semi-audible sound-track—that has stood for so long in underground cinema as an insignium of ideological integrity. Not much better was the Canadian film *Les Ordres*, in which victims of the 1970 War Measures Act internments re-enact their arbitrary and unjust—but alas for any political bite the film might have had, not particularly horrifying—imprisonments without trial.

★

At the other end of the scale there were the purely escapist films—films that suffered from the lack of *any* political dimension, and that seemed no less out of place in a festival where the best films were marked by an intelligent and balanced awareness of their social contexts. *The Texas Chain Saw Massacre*, shown in the Directors' Fortnight, was simply a nastier, gorier, more streamlined version of any '50s B-feature horror quickie (five teenagers done in by a trio of demented ex-abattoir workers), while the Canadian film *The Parasite Murders* made of its story of insects running amok in a high-rise apartment block no more than a flat, forgettable, comic-strip essay in violence.

As an example of how politics and "entertainment" can be combined in one film, no festival offering made a richer impact than Hongkong's *Touch of Zen*. This three-hour costume epic was made in 1970 by King Hu, but before Cannes it had never been shown to the public in its complete version. The story is set in Ming Dynasty China and cleverly interweaves pictures of personal heroism with a broader canvas of the political life of the times. The villains are the "Eastern Group," a eunuch-controlled secret police force whose exercise of cruelty and terror made them a kind of 16th-century forerunner of the Gestapo. The film's heroes are a young man and a girl whose expertise in the martial arts puts successive raiding parties of the Group to flight, and finally wins the day over its leader after a series of picturesque battles in village, bamboo forest and rocky desert.

If your knowledge of Hong Kong cinema has hitherto been confined to the Bruce Lee Movies, this film will come as a revelation. Intelligently written, brilliantly structured (the story builds from a slow, expository first half to a final hour of non-stop action) and shot with the sweep and authority of a Kurosawa, it is the kind of intelligent epic that one had despaired of seeing from the Eastern cinema since the commercial decline of the Japanese film industry. The fight sequences are astonishing: flashing swords, billowing robes, aerial leaps, cries, howls, all cut to a rhythm as exotic and orderly as ballet. But what remains remarkable about the film is that the individual set pieces never get in the way of the social panorama. King Hu gives us some dazzling action scenes. But he also gives us a vivid and persuasive picture of a society in which the individual must stand up and be counted against the prolific and anonymous armies of the State.

Purcell Room

Songs and duets

by RONALD CRICHTON

The Westmorland Concerts on Wednesday presented three talented young artists who are or have been studying at the Royal Academy of Music. Felicity Lott, David Rendall and Graham Johnson had compiled a delectable assortment of songs and duets with piano accompaniment. Outside the range of love duets in opera there is not so much music for this combination as one might expect. Soprano and mezzo, or mezzo and baritone, blend more easily with piano. It was for musical as well as visual reasons that, since the days of castratos, many composers have preferred to give young male lovers female voices.

Some of the pieces were as much duologues as duets, meaning that the voices were heard in alternation rather than cooing together. Monteverdi's "Bel pastor" and the songs from Mahler's *Wunderhorn* for two voices are comic scenes in which the lack of blend reflects lovers' sparring. In Schubert's "Licht und Liebe," though the lovers are in agreement, they sing separately. His rarely-heard two-voice setting of "Nur were die Sehnsucht kennt" is a real duet, in which with the simplest use of imitation he produces an effect of intense sadness. The other example was a delightful bolero by Saint-Saens, "El desdichado," which shows a more than nodding acquaintance with Rossini's *Sins of old age*.

Felicity Lott is rapidly becoming one of our most delightful singers, with style as well as musical intelligence—and good looks. In Schubert's "So lasst mich scheinen" and Franck's "Nocturne," juicy as a purple plum, she filled long, finely sustained phrases with tone like a soprano viola.

David Rendall, whose singing in Monteverdi, Blow and Schubert had been sensitive but a little pallid and under the note, came into his own with the English group "by Britten, his teachers and his friends," a nice idea which united Moeran, Bridge and Berkeley with the Master of the Maltings. Mr. Rendall's Bridge songs, "Go not happy day" and "When you are old" were among the best things in the evening, and by now he was right on the note.

Graham Johnson's playing was an integral part of the pleasure of this enjoyable recital. No one visiting this room for the first time and hearing his refined but not weakly touch in Monteverdi, his prodigious sparkle in Mahler's "Verlor'ne Müh." his smooth velocity in Bridge's Tennyson song or his rhythmic zing in Saint Saëns, would believe how horrible a piano can sound there.

Theatre Upstairs

Echoes from a Concrete Canyon

by B. A. YOUNG

Rachel, a manic-depressive woman of Russo-Romanian-Jewish extraction, lives in a towering, noisy building estate. Her husband has left her, her three children are in care. She lives with a young man she met in Friern Barnet mental hospital, and has two other friends, Milly, a young woman who plays (savagely) with dolls, and Bob, a very old man who brings all the bad news of burglaries and murders in the estate.

Now I have told you all about Wilson John Haire's play. It is written in many—too many—short scenes in which Rachel, virtually never off the stage for 90 minutes, talks with the other characters or to herself. Apart from Rachel's literary soliloquies ("there's an aura about this estate—mildewed souls") the dialogue is well observed and the characters eminently actable within their limits.

Though Judy Parfitt, with her strong, mannish, snub-nosed face, is odd casting for an Eastern European Jew (and never for a moment suggests that she is even partly one) she breathes much genuine feeling into her flat, hopeless lines. James Grant as her husband is a less convincing character, and Nicholas Ball as her unhappy fellow-nut has little to do but look blank. There are vivid sketches from Gwyneth Strong as the childlike girl next door and Leslie Sarony—yes, *the* Leslie Sarony—as old Bob.

Theatre Royal, Stratford E.15

What a Crazy World

by MICHAEL COVENEY

"Father's down the dogtrack, mother's playing bingo. . . ." Lyrics from the one half-memorable skiffle song of Alan Klein's 1962 musical had been totally bulldozed by events and time, let alone changes in the East End itself and developments at this theatre since *Oh What a Lovely War* in 1963. To revive the show demonstrates yet again in what a state of creative stagnation this theatre wallows. Songs are hollered in the bar by Toni Palmer and friends, a coster sells packaged cockles in the foyer, a local dignatory ensures that his medallion faces the right way on his way to the circle.

The new National Theatre could never hope to be a better "facility." The building remains a bright, warming, friendly haven in a surrounding chaos. But havens are still as well as cosy, and scrappily performed revivals of poor, out-dated hymns to Cockneyland are no substitute for an artistic policy. Klein's hero is a cheery urchin eventually netted by a dumb fiancee after failing to win the final round of a talent contest and a ticket to pop stardom. On the way, he is ribbed by his friends for "going steady," temporarily diverted from his tedious course by the influence of his elder sister's porno-dealing boy-friend and generally clouted around the ears by the shrill invective and mumbled complaints of his parents.

This sort of sentimental twaddle has at least been replaced in our theatrical repertoire by the work of John McGrath and others at, for instance, the Liverpool Everyman. The images are not necessarily untrue. They are merely easy, over-played and unconstructive. They claim to represent life by reproducing it crudely, and fail to elicit argument or enlightening theatrical statement by reducing evidence to glib cliché. Grandad singing about "Nostalgia Sandwiches" or the factory lads hatching plans for a Layabouts Union between plates of eggs and chips do no more than conform to the bland and illiterate role created and fostered for the London working class by slick TV producers of half-hour comedy programmes. Joan Littlewood's theatre should be leading us in a different direction.

WORLD TRADE NEWS

U.K. wins two Mid-East contracts worth £150m.

BY RAY DAFTER

TWO CONTRACTS, worth a total of more than £150m., have been awarded to U.K. companies by Middle East states.

Stone and Webster, the London-based subsidiary of the U.S. process plant contractor, has been chosen to build a large petrochemicals plant in Libya. The contract is believed to be worth well over £100m.

In addition, the Bath and Portland Group, through its subsidiary Marples Ridgway, has negotiated a £46m. contract with the Iranian Ministry of Roads and Transportation.

The company is to build 300 kilometres of road in South East Iran, from Shurgas to the Pakistan border. Other Bath and Portland subsidiaries, Kingston Minerals and Pencrete, will be involved in parts of the contract dealing with asphalt surfacing, concrete production and distribution.

Bonds required by the Iranian Government have been backed by the Export Credits Guarantee Department and the Bath and Portland group has been advised in the financial arrangements by its principal joint stock bankers, the National Westminster.

Ethylene

The Stone and Webster contract involves a 330,000 tons a year ethylene plant, planned by the Libyan National Oil Corporation for Marsa-el-Brega.

The U.K. company has been engaged to do the design and engineering work, and to supervise the construction of the plant. It is due to be on stream in 1978.

Stone and Webster refused to give further details of the project, which on the current rate of costs for ethylene plants must be worth over £100m. A brief statement said that the project would be operated on a wide range of feedstock and this sort of flexibility is known to add at least 10 per cent. to the basic price of a plant. It is likely that the plant will be able to process gas, oil and, possibly, naphtha.

Libya, like other OPEC members, is known to be anxious to develop its petrochemicals industry as a base for further industrialisation. It is seen as a logical way of adding value to oil reserves, although it is not certain, at this stage, whether Libya intends to use the ethylene as the basis for production further downstream; in plastics or textiles, for instance.

The Middle East states are reported to have taken firm decisions to build over £9bn. worth of refineries, chemical plants and gas liquefaction plants. Additional projects, perhaps worth some £13bn., are thought to be under consideration.

Stone and Webster is already managing a contract for a new Iranian fertiliser complex, on behalf of the Shahpur Chemicals group. In addition it is doing oil field work in Algeria and Tunisia.

Big Australian order for Lockheed

BY KEN RANDALL

CANBERRA, May 29.

THE AUSTRALIAN Government has placed a $Aust.150m. order with Lockheed Aircraft Corporation for new long range maritime patrol aircraft for the Royal Australian Air Force.

The decision is a severe blow to British industry which in recent months had considered Hawker De Haviland's Nimrod to be a clear front runner for the order.

Instead, Australia will buy eight of Lockheed's P3C Orion aircraft to replace the SP2H Neptunes of its number 10 squadron, currently based at Townsville, in North Queensland. The Neptunes reach the end of their operational life in 1977 and it was announced last year that the replacement choice rested between the Orion and the Nimrod.

The Defence Minister, Mr. Lance Barnard, announced to-day that the project cost of the Orions included the aircraft, spares, a specialised operational ground support facility, ground handling and test equipment, associated works and "a significant element of Australian industry involvement."

The Australian Barra sonics system for detecting submarines and ships will be fitted to the new aircraft.

Mr. Barnard said "I have decided in favour of the Orion because, overall, it meets more closely Australia's requirements for a long-range maritime patrol aircraft in performing the roles and tasks of anti-submarine warfare, surveillance and search-and-rescue and it provides the more cost-effective solution. The ability of the P3C to remain on task for extended periods at substantial distances from base, and its highly integrated electronics system were particular factors in its selection."

Shipping line for Caribbean

By Alan Riding

MEXICO CITY, May 29.

EIGHT CARIBBEAN basin nations, including Cuba, last night formally agreed to create a regional shipping line with the objective of stimulating trade and cutting freight costs.

After a three-day meeting in Costa Rica, Mexico, Colombia, Venezuela, Cuba, Panama, Nicaragua, Jamaica and Costa Rica agreed to put up $30m. in capital to enable the so-called NAMUCAR line to enter into operation this year with five chartered ships.

For the moment, only governments will participate in the line. Eventually, NAMUCAR's capital will be raised to $100m.

Canadian 'warning' of tougher trade competition

A CALL for a greater selling effort on both sides and a "friendly warning" that Canada intended to do better in the competition for sales of finished products to Britain were made yesterday by Mr. Paul Martin, the Canadian High Commissioner to Britain.

He told the Birmingham Chamber of Commerce and Industry that trade between the countries was on a big scale but that it could be bigger. Last year Canadian exports to Britain reached $1.9bn., an increase in value of 19 per cent. over 1973. British exports to Canada in 1974 increased in value by 12 per cent. to $1.1bn.

But, Mr. Martin pointed out, there was "very little growth" in volume on either side. And, he added, in the decade 1963-1974 Canada's share of Britain's imports declined from 7.6 per cent. to 4.6 per cent., while Britain's share of Canadian imports declined from 8 per cent. to 4.3 per cent.

Last year two-thirds of British sales to Canada were finished products which represented only 8 per cent. of Canadian sales in Britain. This means that despite Canada's favourable balance in money value "more jobs are supported in Britain by your exports to Canada than are provided in Canada by our sales to your country."

The High Commissioner declared: "We do not complain about this. We accept the competition. But we also wish to give a friendly warning. We intend to do better in this competition for sales of finished products in the future."

Abolish consular fees call

BY DAVID EGLI

GENEVA, May 29.

A PROPOSAL to abolish consular formalities and fees was widely approved here in a sub-group of the multilateral GATT trade negotiations. It is understood that the group, with a few exceptions, felt that such formalities and fees should be abolished during the course of the negotiations, and the United States said that it would be willing to give negotiating credit in an all-over settlement before the elimination of these formalities and fees to the few developing countries which felt that they were necessary as a support for their consular services.

Consular fees, in some instances, involve a sort of hidden tax when shippers are charged on a percentage basis on the overall value of the goods shipped. In these cases, the fees far exceed the value of consular services rendered.

INDIA MAY BUY BRITISH HARRIERS

THE INDIAN navy is buying some Soviet aircraft and is hoping to acquire a squadron of British Harrier jump-jets, the Press Trust of India (PTI) reports, quoting reliable sources. It said that a small number of Soviet Ilyushin-38 aircraft will be purchased very soon and a few more later.

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Japan plans to boost shrinking SE Asia imports

BY PETER DUMINY

TOKYO, May 29

JAPAN plans special measures to boost imports from South East Asia this year, the official spokesman of the Ministry of International Trade and Industry announced today.

Japan's purchases from the region dropped 19 per cent. to an annual rate of $10.4bn in the first four months of the year (compared with January-April 1974), including falls of 40 per cent. in imports from South Korea and 50 per cent. from Singapore.

Unless something is done, imports will continue to shrink, Miti believes. Although the business recovery has started, there would normally be a time lag of several months before imports turned up. That is, acording to the Government's assessment, partly because stocks of imported materials are high and partly because world commodity prices can be expected to continue falling.

"This is something we fear," the official said. "We believe it could have a serious impact on countries in South East Asia which depend heavily on trade with Japan, and on less developed countries in general."

The Miti plan relates to bulk commodities and envisages low interest loans or other assistance to private importers, apparently on an ad hoc basis, as and when official studies are completed. Commodities under consideration include timber, rubber and tin.

In addition, attention is being given to the copper situation, with a view to ensuring that Japan takes all the ore to which it is committed in long-term contracts.

There are no plans for Government stockpiling at this stage, but financial inducements to the trading companies and others can be provided through various agencies, including the semi-official Overseas Trade Development Association which has control of revolving funds of around $4.5m.

Miti concedes that this is unlikely to benefit South Korea, which mainly exports manufactures. However, the official revealed that South Korea has asked Japan for so-called commodity aid (not tied to capital projects) to help it over its payments difficulties and "we are working on this."

In all cases the amounts of money involved are likely to appear small. However, there can be little doubt that if Miti does throw its considerable influence behind an import drive, the result will quickly be significant.

Big rise in Scotch exports value

FINANCIAL TIMES REPORTER

SOME 27.8m. gallons of Scotch whisky worth £109.5m. were exported during the first four months of the year, according to Overseas Trade statistics just released.

This was an increase of 10.5 per cent. in volume but one of 25.45 per cent. in value, thanks to export price rises at the beginning of the year.

Shipments of bulk blends over the January-April period were up by 28.6 per cent. in volume to 7m. gallons and 29.8 per cent. in value to £12.4m. This reflects the trading down in the world's biggest market for Scotch whisky—the United States—where the duty system discriminates against the bottled-in-Scotland Scotches.

Bottled blends improved by only five per cent. in volume to 18m. gallons, but their value soared by 24 per cent. to £90.2m.

Malt whiskies, shipped in bulk for mixing abroad with grain spirit to make local whisky, fell by 0.2 per cent. in volume to 2.4m. gallons while the value was up by 26.9 per cent. at £5.4m. over the four-month period.

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AMERICAN NEWS

New statistics point way to upturn in U.S. economy

BY GUY DE JONQUIERES

NEW YORK, May 29.

THE U.S. Government to-day presented its most persuasive statistical evidence to date that the recession has bottomed out and that a recovery in real economic growth may soon get under way.

It took the form of a 4.2 per cent. increase during April in the Commerce Department's recently revised index of 12 leading indicators, which are supposed to foreshadow broad developments in the economy. This is the biggest rise for any month since the Department first began gathering the data used in the index 27 years ago.

Using the revised index, the Department also corrected its statistics for March to show a 1 per cent. increase, instead of a 1 per cent. drop, as reported under the old index. According to both measurements, the index dropped steadily during each of the 11 preceding months.

Mr. James Pate, Assistant Commerce Secretary for Economic Affairs, described the March and April increases as "impressive." He said that their size and breadth supported the conclusion that the recession has reached bottom and that the economy would turn up in the second half of this year as the Government has predicted.

The April figures are still preliminary, but of the 11 indicators avaliable for inclusion all but the "money balance"—a measure of the quantity of money outstanding in real terms—pointed up. The single biggest contribution to the overall rise in the index came from an increase in residential building permits.

This is especially encouraging for the Administration, since it is the first solid indication of a burgeoning improvement in an industry which has traditionally helped lead the economy out of a recession and which had been performing disappointingly until recently. The index also showed signs of an improvement in manufacturing.

The extensive revisions to the index are designed principally to eliminate or reduce distortions which had crept in as a result of recent high rates of inflation. The new method of preparation will, it is said, make the index a more sensitive signal of downward as well as upward movements in the economy.

The old index had performed reasonably well until about 1970. But it fell down badly thereafter, failing to record the current recession — which is generally believed to have started late in 1973—until September of last year.

The Commerce Department has replaced eight of the indicators in the index, five of which are completely new statistical series, and has based several of them on four-month moving averages. In addition, those indices that are most likely to be distorted by inflation are now expressed in constant 1967 dollars.

The completely new statistical series that have been built into the index measure new orders for consumer goods and materials, change in inventories on hand and on order, percentage change in the price index for raw materials, money supply in constant dollars and percentage change in total liquid assets.

Three new additions, which have been published before but not included in the index, are vendor performance (proportion of companies reporting slower deliveries), the lay-off rate in manufacturing and contracts and orders for plant and equipment in constant dollars. The four series carried over from the old index are average work week in manufacturing, net business formation, stock prices and new residential building permits.

New York finances 'at crisis point'

By Jay Palmer

NEW YORK, May 29.

NEW YORK City's financial woes have finally reached the crisis point. Later to-day Mayor Abe Beame must present his still unbalanced fiscal 1975-76 city budget while, at the same time, last-ditch efforts to raise short-term funds to cover the city's immediate debt and payroll obligations appear to have failed.

It is now expected that Mayor Beame, in a dramatic push for public support, will present his budget plans on television this evening. Two seperate and alternative $12.8bn. budgets will be outlined.

The first will be optimistically "balanced" by including $655.6m. worth of still missing state aid and new taxes. The second, the mayor's office explained, will be a "crisis budget" detailing the "horror list" of drastic economies that would otherwise be necessary if such aid is not forthcoming.

Yesterday, Mayor Beame spent seven fruitless hours in Albany, the state capital, in an attempt to secure promises of support. Following his return, fresh doubts have been raised as to whether his projected budget deficit is in fact realistic. Many suggest that the deficit will in fact be a good deal larger, with revenues from city sales taxes and city income tax likely to fall below expectations.

The mayor, on previous occasions, has explained that the $655.6m. saving could be made only through massive cuts in city services and at least 38,000 lay-offs of municipal employees. City union leaders have threatened to call a widespread strike if such cuts (or the alternative payroll reductions) are made.

While final budget preparations were underway, city officials were holding talks to find the missing $1bn. necessary to meet city expenses over the month of June. This figure includes not only such normal city costs as payrolls but also the redemption of outstanding city debt. A default on such debt would accentuate the city's problems and make its banks even less likely to agree to any fresh funding.

These immediate cash-flow problems come to a head tomorrow when city notes valued at $220m. fall due for repayment. It is estimated that the city currently has only $243.4m. of cash on hand to pay these notes and meet other expenses.

U.S. SOCIAL SECURITY

A problem of cash

BY NANCY DUNNE IN WASHINGTON

FINANCIAL problems have begun to arise for the U.S. system of social security. The social security trustees have announced that the old age, survivors, and disability trust funds will this year for the first time in 40 years pay out more than they will collect.

The 1975 deficit, it is estimated, will be about $3bn. If things continue at their present rate, the fund's total reserves of about $46bn. will be exhausted in the early 1980s. While it is inconceivable that the Government will allow any bankrupting of the system which every month mails out about $5bn. to 31m. Americans, the Congress, the Administration, and a number of economists have found that it is time to take a hard look at social security to prevent a future disaster.

Since its inception the system has been largely self-financing with employer and employee taxes (each pay half) exceeding the amount of benefits paid out. Taxes are based on wages: the current rate is 9.9 per cent. of the first $14,100. Employers and employees each pay another 0.9 per cent. of the first $14,000 to finance Medicare, which is part of the social security system.

Four funds

The system consists of four separate trust funds providing retirement and survivor benefits, payments to disabled workers, and health insurance to the aged (Medicare). These funds may only be used for their designated purposes, so if one is running low, it cannot borrow from another to pay its bills without Congressional approval. The trustees are the Secretaries of the Treasury; Labour; and Health, Education and Welfare. The Social Security Administration of Health, Education and Welfare manages the operation.

To some extent, benefits vary with the amount of money a worker has paid in. A worker retiring this year would receive a maximum benefit of $316.30 a month, if he had paid taxes on the maximum assessed earnings for the past 19 years. But though the amount of payments is tied to contributions, the system pays the poor proportionately better than the rich, and lower paid workers receive a higher percentage of their last working income than upper income beneficiaries. Low income workers get about 60 per cent. of the wages they last received when employed; middle income workers get about 40 per cent.; higher income workers, about 30 per cent. Thus the system which taxes regressively, pays somewhat more progressively.

In the short run social security has been struck by the same problems as the rest of the economy. Because inflation was weakening the value of the monthly allotments, Congress in 1972 passed a law linking the amount of the payments to the cost of living. The law also linked the tax base—the maximum individuals are taxed on—to the average wage in the economy. The base will therefore rise to $15,300 next year and more thereafter. However, the recession and high unemployment have resulted in less payroll tax income. The number of contributors is expected to decrease to 98m. this year from 101m. last year.

For the long term, economists are worried about the falling birth rate and the increasing proportion of elderly in the population. If their projections are sound, the system which now pays one recipient for every three contributors will by the year 2010 have a ratio of only about two workers for every recipient. Looking about 75 years ahead, the trustees predict an average annual deficit of about 5.3 per cent. of taxable payroll, a substantial amount considering the current taxable payroll exceeds $600bn.

The big question is how to pay most fairly for the rising costs of the system. Should the tax rate or the tax base or both or neither be increased? Raising the rate is considered undesirable in the recession. Raising the base would throw the burden on the higher-income workers and still would not cover all increased costs. This idea is opposed by conservatives who say it would hinder capital formation by reducing the amount that higher salaried workers would save.

Lower benefits

One possibility not favoured by most politicians is reducing benefits. President Ford has asked that the 8.5 per cent. cost-of-living increase to go into effect this year be limited to 5 per cent., but his proposal was largely deplored or ignored on Capitol Hill. The social security trustees have urged a revision of the present benefit formula which, when boiled down, would mean paying lower benefits in terms of real value. This proposal, because it is so complex and obscure, might be politically acceptable.

Some liberals have called for a complete revision of the system, proposing that it be supported by a progressive tax directly related to earnings. Others have suggested that the amount of payments be related to means, that benefits be reduced in relation to a recipient's income from other sources. Benefits are now reduced only as a result of outside income earned from work. The option most suggested in Congress is supplementing social security with funds from the general revenue, but this is strongly opposed by the Administration. President Ford has said it would depart from the "earned right" principle that he strongly supports as a basic feature of social security.

In some ways, Congress has already begun taking pressure off the system, making old age assistance and aid to the blind and disabled part of "adult welfare" paid from general revenues. If a worker retires or becomes disabled and his social security benefits are below the welfare level, these programmes will make up the difference. It has also been suggested that general revenues can be used for Medicare hospital fees since health care is not related to past earnings. Then some Medicare funds could, with Congressional approval, be freed for retirement benefits.

It will probably be by methods such as the latter two that Congress comes to the aid of social security. As the President asserts, Americans do like to think that there is a fixed relationship between what they pay into social security and what they receive from it. Social security is respectable in a way welfare payments are not. Americans see social security as something that they are entitled to receive; they see welfare as charity or payments to "spongers."

While social security has its troubles, many observers feel they have been blown up out of proportion in the American Press. A bipartisan group of eight former high Government officials — including five former HEW secretaries — has felt it necessary to issue a "white paper" commending the strength of the system and saying that while additional financing will be needed, "the size of the problem over the next 25 years is easily manageable and certainly does not constitute a crisis."

Certainly, what 31m. Americans — a good number of them voters — receive, can always count on heavy Congressional support — so that one way or another, the system will survive.

Tax bill served on Glomar Explorer

LOS ANGELES, May 28.

THE LOS ANGELES County Assessor has slapped a $3,119,865 tax bill on the salvage ship Glomar Explorer, reportedly used by the Central Intelligence Agency and ostensibly owned by Howard Hughes' Summa Corporation.

Assessor Philip E. Watson released copies of the bill sent to Summa for the 618-foot vessel which was used last summer in an attempt to raise a Russian submarine from the floor of the Pacific Ocean north of Hawaii.

The bill, Watson said, was based on the calculation that the market value of the marine mining vessel was $105m.

Watson said he was approached last January by several men who said they represented the CIA and wanted the Glomar Explorer kept off the tax rolls so its cover would not be blown.

That was before the mission to raise the Russian submarine was reported in various newspapers.

UPI

Venezuela oil cutback

BY OUR OWN CORRESPONDENT

CARACAS, May 29.

VENEZUELA will cut its crude oil production to between 2m. and 2.2m. barrels per day next year, down from the present 2.4m. barrels per day, Finance Minister Hector Hurtado has declared.

Since assuming power in March 1974, the Administration of President Carlos Andres Perez has ordered several production cuts which lowered the industry's output from about 3.2m. barrels per day. The present rate is about 2.4m. barrels daily.

The Venezuelan government earned $10bn. in oil revenues last year, the highest amount ever, and expects to receive roughly the same amount in 1975.

Meanwhile, a new article outlining the activity of private oil companies in Venezuela after nationalisation sometime this year has been drawn up by the Government's Democratic Action party.

The article, the text of which was not made public, will be examined by all parties to-day.

$210m. Air West suit filed

NEW YORK, May 29.

A COUPLE who held stock in Air West have filed a $210m. damage suit in federal court, charging Howard Hughes with violating U.S. laws in acquiring the regional airline in 1970.

The plaintiffs, Mr. and Mrs. Victor Kurtz of New York, also sought $21m. in attorneys' fees, apparently a projection of estimated costs.

The couple did not say how many shares they held in Air West. Their suit was filed on behalf of all stockholders.

The action followed a $45m. damage suit filed last March against Hughes and Associates by the Securities and Exchange Commission (SEC), which alleged violation of securities laws in the sale of Air West to Hughes. The sale was approved by shareholders and directors of the airline in December, 1968, and completed in 1970. It now is Hughes Air West.

AP-DJ

UNITED AIRCRAFT PEACE MOVE

By Our Own Correspondent

MONTREAL, May 29.

THE 18-MONTHS-OLD United Aircraft Canada strike now appears to be drawing to a close. Strikers have voted 976 to 794 in favour of going back under the terms of a conciliation report, and the only real issue outstanding now is the company's refusal to rehire 40 men alleged to have damaged company property. Day rates have been agreed.

The report said this issue should go to arbitration, and this will almost certainly be the solution.

Bodyguards out in force at wedding of Daley's son

CHICAGO, May 29.

DOZENS of private bodyguards surrounded the church and reporters were barred from entering when John Daley, son of the mayor of Chicago, married Mary Lou Briatta, daughter of a reputed underworld figure, here today.

The 700 guests were told only yesterday the wedding would take place today and they were not told until after the wedding where the reception would be held.

The mayor Mr. Richard Daley, the so-called uncrowned king of Chicago and one of the most powerful members of the U.S. Democratic party, makes little attempt to hide his hatred for the Press and newspaper stories linking the father of his daughter-in-law with organised crime had annoyed him. The wedding of the couple, was to have been held next month.

In 1973, the bride's father, Louis Briatta, appeared before a Grand Jury investigating organised crime and took the Fifth Amendment, which allowed him to refuse to answer questions on the grounds that he might incriminate himself.

Last week a newspaper cartoonist, Bill Mauldin, was assaulted outside an apartment block where a party was being held for John Daley and Mary Lou.

Dozens of cars belonging to the party guests were illegally parked. Mauldin was taking photographs of the cars when a driver jumped out.

Reuter

EUROPEAN NEWS

French-U.S. row over monetary reform drags on

BY RUPERT CORNWELL

PARIS, May 29.

FRANCE AND AMERICA are still in public disagreement on several key issues of monetary reform, a dispute that looks set to make a package agreement at next month's IMF Interim Committee talks here extremely difficult to achieve.

Despite what was heralded as a peace-making dinner of ministers and officials from the Group of Five inner circle of economic powers—France, the U.S., Germany, Japan and Britain—the quarrel between Paris and Washington over official gold dealing, the new allocation of Fund quotas and the legalisation of floating rates in the future monetary system remains.

After last night's discussions, French Finance Minister, M. Jean-Pierre Fourcade, reported bluntly that no progress had been made. In case anyone had missed the point, he and Treasury Secretary, William, Simon, crossed swords once more in set piece statements to the OECD Ministerial Council this morning.

The major question now is how far the split reflects the deep doctrinal schism between France and the U.S that has persisted on gold since the 1960s, and how far it involves mere negotiating stances before the IMF Ministerial talks on June 10 and 11.

In contrast to M. Fourcade, the U.S. Treasury Secretary was reasonably optimistic that an early settlement could be reached. Despite a ringing eulogy of "flexibility" (that is, floating rates) in his OECD speech, he said afterwards that the U.S. was hopeful of "meaningful" agreement in a fortnight's time.

The French Minister had a different view. He told the Ministerial Council that uncontrolled floating would have damaging consequences and repeated his Government's long standing support of "fixed but adjustable" parities.

To judge by their public statements the divergence on how to dispose of the Fund's gold stocks—worth $6bn. at the old official price of $42.22 an ounce—is one of means rather than end. Both accept that the revalued gold should be used to help the worst off countries; but whereas the U.S. considers that the IMF should sell its metal on the free market France insists that it be handed back to the central banks that contributed it.

Guy de Jonquieres adds from New York: In an interview with Business Week published to-day, President Giscard d'Estaing proposes that the principle of the Common Market's "snake in the tunnel" be extended so as to limit the appreciation of the European currencies in the snake against the dollar.

The French President states that the dollar's current depreciation is not justified by economic realities. He points out, however, that adoption of his proposal would involve a change in current U.S. monetary policies by requiring an American commitment to intervene in the foreign exchange markets in concert with the European countries.

He left the impression that chances of reaching such an agreement were not very promising.

Payments achieve equilibrium

THE French Finance Minister, M. Jean-Pierre Fourcade, announced to-day that France's current account was in equilibrium in the first quarter of this year, after a deficit of as much as Frs.28bn. (about £280m.) for 1974. The main reason for this improvement was the country's good trading performance.

The trade surplus for the first four months of this year amounted to Frs.3.6bn. in spite of a fall in the country's exports to its OECD partners. However, M. Fourcade pointed out that exports towards the Eastern Europe and OPEC countries had risen substantially, while France's imports of oil were now 20 per cent. below the level of a year ago.

Giscard urging political union

BY GUY DE JONQUIERES

NEW YORK, May 29

President Valery Giscard d'Estaing has again thrown his weight behind the creation of a political union inside the Common Market.

In an interview published in the latest issue of Business Week Magazine, the French President states that the EEC has now exhausted virtually all possible technical and economic steps towards the harmonisation of national policies and that "the next step is a political ones."

The timing of the French President's remarks, just days before the British referendum on EEC membership, suggests that he may be deliberately holding out the promise of a significant concession from what has been a strongly-held French position in the hope that this will provide an additional incentive for the U.K. to remain a member of the Common Market.

Moreover, his choice of an American publication as a mouthpiece at a time when President Ford is seeking to strengthen the bonds between the U.S. and Western European nations would indicate that he intends his statements to be read in Washington as a positive contribution to both trans-Atlantic and intra-European relations.

M. Giscard d'Estaing acknowledges that his thinking represents a break with past French policies, but portrays it as a necessary adjustment to changing times. "Now there is a strong desire on the French side to have some political unity or union. What we need is some political co-ordination, and with political co-ordination we will give a new push to political unity."

The French President points out that tariffs have been eliminated inside the EEC and that limited co-ordination of economic policies exists between EEC members.

Three top posts for Dr. Husak

By David Lascelles

THREE of Czechoslovakia's four top posts came into the hands of one man yesterday with the election of Dr. Gustav Husak to the Presidency in succession to Ludvik Svoboda who retired on grounds of ill health aged 79.

Dr. Husak is already head of the Communist Party, a post he has held since 1969, and chairman of the National Front, the mass political organisation. The only major post he does not now hold is the Premiership, currently held by Lubomir Strougal.

In terms of real power Dr. Husak gains little from his new appointment. The Presidency is a largely formal position, and he is already the effective ruler through his party post.

Even so, the Czechoslovak Presidency has a certain historic aura which is bound to increase his stature.

Dr. Husak's appointment looks like an attempt to consolidate the leadership at a time when dissident voices can be heard in Czechoslovakia, especially since it is so unusual and unnecessary for so many posts to be bestowed on one man.

Grechko blames U.S. for tension in W. Europe

MOSCOW, May 29.

THE SOVIET Defence Minister, Marshal Andrei Grechko, made a harsh cold war-style speech today in which he accused "imperialism"—apparently meaning the U.S.—of stepping up tension in Western Europe.

Western diplomats said Marshal Grechko apparently was replying to a recent statement by the U.S. Defence Secretary, Mr. James R. Schlesinger, that the U.S. would strengthen its forces in Nato.

"By building up its military potential in Europe, imperialism at the same time seeks not to slacken tensions in South-East Asia, in the Middle East and in the Eastern Mediterranean," Marshal Grechko said.

The Minister was speaking at a conference for Soviet military men who have excelled in combat and political training. His remarks were published by Tass and apparently designed for foreign consumption. Radio and television news carried only a truncated version of the speech, apparently to avoid giving the impression to the Soviet public that detente is in doubt.

UPI

Nuclear review disarray

GENEVA, May 29.

THE NUCLEAR Non-Proliferation Treaty review conference ends to-morrow in disarray if not confusion. The failure of successive committees to reconcile sharply contrasting views expressed in the four-week meeting—a clash essentially between the nuclear powers and the non-nuclear countries—was resolved at the last moment by the conference president, Mrs. Inga Thorsson, of Sweden, declaring that there was no time left for further committee work.

In the circumstances the review conference has dispelled any illusions about the true efficacy of the treaty. It cannot stop proliferation, only make it a little harder. Significantly, the handful of countries most likely to retain an interest in acquiring nuclear weapons are not parties to the treaty, and the chances that they will join appear slim.

Yugoslavs may prop up dinar

By Our Own Correspondent

BELGRADE, May 29.

THE YUGOSLAV National Bank may intervene on foreign currency markets to maintain the value of the Yugoslav dinar. If such a decision is taken, the bank would buy banknotes when the rate of exchange weakened sharply.

The dinar is not convertible, but it may be taken in and out of the country in limited amounts and it has been regularly quoted and traded, mostly in Vienna, Trieste and Zurich.

The bank believes that the buying rate is frequently too low, enabling foreign banks to make undeserved profits.

BEFORE THE DEMIREL-KARAMANLIS MEETING

A precarious balance

BY A SPECIAL CORRESPONDENT

THE U.S. GOVERNMENT'S reluctant embargo on military aid and arms sales to Turkey is likely to continue: though the Senate, on May 19, voted by a majority of one to lift it, there is hardly any possibility that the House of Representatives will pass a similar motion. Greek-Turkish contacts have resumed at various levels (notably at Prime Ministerial level, in Brussels this coming weekend), but there is remarkably little give to be seen in either side's position. To some extent both the Greeks and the Turks seem to be talking not so much because they are optimistic for the outcome, but to preserve their credit with their common allies.

On the Turkish side the reasons for inflexibility are clear: militarily and geographically Turkey enjoys far the stronger position both in Cyprus and in the Aegean dispute (where the Greek islands off the Anatolian coast are so many hostages for Athens's good behaviour). Moreover, Mr. Suleiman Demirel's shaky coalition government must avoid making concessions to the Greeks that could be exploited to strengthen the already promising prospects of Mr. Bulent Ecevit's Republican People's Party at the next election, or that might offend the right-wing ultra-nationalist elements which, for the first time in modern Turkish history, are in the Government.

Some of the reasons for Greek immobility are equally obvious. The almost universal Greek outrage and sense of abandonment since the Turkish intervention in Cyprus last July has made compromise with the Turks as difficult politically for the Greek government as vice versa. The popular Greek stereotype of the Turks, which is influential even at the highest levels, encourages the conviction that Turkey is on the long-term strategic offensive against Greece, and the belief that sooner or later Greece will have to fight.

Perhaps the most dangerous element in the present equation would be a Greek assessment that the U.S. arms embargo is gradually creating at least a temporary Greek military advantage over Turkey, and that any Turkish counter-action against the continuing embargo (for instance by a closing down of American bases) will gradually alienate the U.S. from Ankara. There is a theory in Athens that, at the least, the Greek position vis-a-vis Turkey will be stronger in six months' or a year's time. This opinion is founded on forecasts like that of a former Turkish Air Force commander, Muhsan Batur, who said just after the American embargo was imposed on February 5 that it would "ground the air force within six months." The embargo is now almost four months old, and one can begin to judge the accuracy of such assessments.

It was U.S. policy throughout the history of the NATO alliance to supply similar arms to Greece and Turkey, to ensure that the local balance was not upset. Turkey's armed forces were maintained at a somewhat higher level, but no more so than was justified by its far more extensive land frontiers. As a result, when the embargo intervened in February the two armed forces diverged from their character as virtual mirror images in only a few particulars.

> On the whole, therefore, despite some noisy bluster to the galleries, the Turkish Government is not suffering gravely from the embargo, nor is it being driven to take strong retaliatory action against the Americans.

The Greeks had just received all of the 48 Phantoms on order for their air force, whereas the Turks had only received 16 of their parallel order for 40 Phantoms. In air forces totalling 240 and 310 combat aircraft respectively, however, this means only a marginal advantage.

Greece's four French-built Combattante fast patrol boats pack Exocet ship-to-ship missiles for which Turkey's larger Navy has no equivalent, and the 60 French AMX-30 tanks which the Greeks also got by by-passing their even-handed principal arms supplier have a 150 mm. gun more powerful than that of the American M47s and M48s which otherwise equip both armies. These differences, too, are scarcely important enough to create a major Greek advantage.

Greece stole a march on Turkey in May, 1974, when the Aegean crisis was building up, by placing a further large arms order with the French. In this £330m. deal the French promised early delivery of another 125 AMX-30 tanks and another four Combattante patrol boats, plus 40 F-1 Mirages—an aircraft superior to anything in the Turkish Air Force. Deliveries of the last item in particular are likely to stretch over several years, and even the incorporation of the entire order into Greece's armed forces tomorrow would be unlikely to make a decisive difference to the military balance so long as Turkey's armed forces remain efficient.

The critical part of the equation is the extent to which the embargo is crippling Turkey's armed forces. Some early straws showed which way the wind was blowing: the U.S. Government consented to the sale of 18 Italian F-104S Starfighters to Turkey last October, and went out of its way to grant approval for the Turkish purchase of a further 18 from Italy on February 4, one day before the embargo went into effect. West Germany lifted its arms embargo on both Turkey and Greece on March 14, and the NATO Secretary-General, Dr. Joseph Luns, was quite blunt on April 28 in Ankara when he stated that Italy and Germany were already filling the gap in Turkey's defences left by the U.S. embargo.

It is hard to believe that President Ford and Dr. Kissinger have not given this substitution their tacit blessing. In response, the Turkish government has not been falling over itself to close U.S. bases, and it is not possible to identify any Turkish decision so far that would actually diminish American military capabilities and facilities in the country.

In view of the flow of spares from European NATO allies with similar equipment, only two major Turkish weapons systems are in immediate trouble. One is the five squadrons of F-100D's that are the backbone of the Turkish fighter-bomber force. They are no longer in service elsewhere in Europe, except in relatively unsympathetic France and Denmark, so spares will be hard to find. However, they ought to keep going for quite a while through a combination of cannibalisation and grey-market purchasing.

A $230m. deal for modernising Turkey's 1,800 aging M47 and M48 tanks (changing from petrol to diesel engines, and from 90 mm. to 105 mm. guns) fell through because of the embargo, and Turkey faces the need to choose fairly rapidly between carrying on the programme with a non-American company (such as Vickers) or buying new tanks. In view of the thousands of these tanks scattered among the NATO allies in Europe, however, spares ought not to be a major difficulty. On the whole, therefore, despite some noisy bluster to the galleries, the Turkish Government is not suffering gravely from the embargo, nor is it being driven to take strong retaliatory action against the Americans. Any Greek calculations founded on such assumptions are liable to be most misleading.

Indeed, in the longer run the outlook for the Greeks is for a deteriorating relative military position. Greece's military budget this year represents a 46 per cent. increase on 1974; Turkey's has nominally increased by 54 per cent., and has been supplemented by a special appropriation under the armed force REMO (Reorganisation and Modernisation) programme amounting to half as much again. This brings total Turkish arms expenditure to $2.042bn., a rise of 110 per cent. over last year. Total appropriations under the remaining four years of the REMO programme will amount to about $2bn., and are designed to secure Turkey a home-based armaments industry (including an advanced combat aircraft manufacturing capability) that will largely free her from vulnerability to the domestic politics of a single major arms supplier.

The swarm of Western arms representatives buzzing round the money-pot in Ankara this spring proves that Turkey will have no trouble in buying what it wants. The Turkish purse—especially now that Ankara has begun establishing close relations with the wealthier Arab states, including Libya—is also longer than the Greek. If the more apocalyptic Greek interpretations of Turkey's intentions were right, Greece's immediate future would look grim. Fortunately, however, there is no real evidence that Turkey is contemplating the deliberate destruction of the political equilibrium in the area which its own policies have helped create over the past 30 years.

Review forecasts drop in W. German production

BY JONATHAN CARR

BONN, May 29.

A KEY REVIEW of West German *industrial production and* business opinion released to-day clearly shows why the Government has now scaled down its economic expectations for this year—and why Chancellor Helmut Schmidt will be pleading for a more expansionist course by Bonn's trading partners at the Atlantic summit being held in Brussels.

In its forecast of industrial production for the year as a whole, the respected IFO Economic Institute of Munich comes to the conclusion that there could be a drop of as much as 5 per cent. against the level of 1974.

IFO points out that the business situation at present is poor in the majority of industrial sectors—with one or two exceptions, such as vehicles and clothing. In IFO's view there are some indications that the lowest point of the economic turndown will shortly be reached, so that in the middle term there are some grounds for more confidence. Nonetheless, the upswing which the Government has promised will not emerge in time or with sufficient power to avoid a substantial drop in industrial production for 1975 as a whole.

In its survey of business opinion, IFO says in its cautiously oblique fashion that the tendency towards less pessimism in manufacturing industry, noticeable since last October, was not maintained in April. Production had fallen and so had orders in hand. In the building industry there was substantial under-utilisation of capacity and three-quarters of the firms asked described their order position as too small. In the retail trade, the signs of some limited growth noted in the first quarter had fallen away in April.

The latest official view—put to the Cabinet last week by Economics Minister Hans Friderichs and later supported by the Bundesbank—is that there will probably be no economic growth in real terms in 1975, against a Government forecast at the turn of the year of two per cent. and of several economic institutes of one per cent.

As matters stand, a figure for the whole year of around zero growth implies a substantial upswing in the second half—since the first half is now bound to register clear minus growth in real terms.

One major key to such an upswing lies in a boost to flagging exports. As IFO point out to-day, the decline in foreign business is a major factor in the current industrial downturn at home—and in these circumstances it is hardly surprising that the propensity to invest remains small.

This is why the Government at present rejects as largely irrelevant any early new measures to boost the home economy on the lines of the programme of economic stimulation it introduced last December. *And that* is the domestic reason why Herr Schmidt has let it be known in advance that the need for further action to pull the Western industrialised world out of recession will be at the centre of the discussions he is holding in Brussels. The wider reason is that unless the Western nations take more vigorous action to counter recession and unemployment, political difficulties will be exacerbated and this in turn could rebound on the defence capabilities of the Nato alliance.

Spain's new strike law

By Roger Matthews

MADRID, May 29.

SPANIARDS were to-day given the right to strike for the first time during the rule of General Franco. However, labour lawyers and unofficial trade union leaders believe that 99 per cent. of strikes in Spain will continue to be illegal because of the "near-impossible" conditions imposed by the new law.

Strikes for political reasons are banned, with, of course, the Government ultimately having the right to decide when a stoppage falls within that category. Solidarity strikes are also outlawed, as are those which affect public services, which try to modify an existing wages agreement, those which might lead to the occupation of a factory by workers, and those which fall within a range of other categories.

Swiss will release more bank reserves

By John Wicks

ZURICH, May 29

IN ORDER to improve liquidity *levels,* the Swiss National Bank has increased from 75 to 90 per cent. the liberated share of minimum reserves on banks' foreign liabilities. To take effect tomorrow this will release a sum of about Sw.Fr400m. A further amount estimated at between Sw.Fr.100m. and 150m. is expected to be released in the form of funds previously called in by the National Bank in respect of credit-guideline surpluses, meaning that at least Sw.Fr.500m. in new liquidity will be created in the banking system in the coming days.

Dutch demand slack

BY MICHAEL VAN OS

AMSTERDAM, May 29.

GROWTH OF production in the Dutch metal and electrical engineering industry declined to 4.3 per cent. in 1974 and this year production in Holland's largest industry is unlikely to show any growth at all as a result of slackening demand within and outside the country.

This was stated in the annual report of the F.M.E., the mechanical and electrical engineering Industries' association in the Hague, which represents nearly 1,100 companies and some Fls.41.2bn. worth of sales.

The report said that in view of the difficulties, production in the sector metal products and machine construction would possibly show a decline this year, while production would be stable in the transport equipment and installations industry. In the electrical engineering industry, however, last year's growth would be slashed by around two-thirds this year.

Irish oil drilling 'in 1976'

BY DOMINICK J. COYLE

DUBLIN, May 29.

MR JUSTIN KEATING, the Minister for Industry and Commerce, confirmed here to-day that arrangements were now being concluded with a number of "important petroleum companies" covering offshore blocks in part of the Irish continental shelf area. He expected that drilling operations would start before the end of next year.

The Minister, who was speaking to the Dublin Chamber of Commerce, did not name the companies involved, but they are believed to include British Petroleum and the French State oil company, ELF, as reported in the Financial Times this morning.

Mr. Keating said that all the companies concerned had undertaken very onerous drilling obligations in the books in question and that these activities would add greatly "to our present meagre store of geological knowledge."

The Government's relative optimism regarding possible discoveries of both oil and natural gas supplies in offshore waters is understood to stem from private reports available to Ministers concerning the Celtic Sea area where Exxon has been carrying out a seismic and drilling programme under a "farm out" agreement from Marathon Petroleum.

Norway taxes N. Sea oil

OSLO, May 29.

THE NORWEGIAN Parliament voted for a new oil tax law which includes a system of standard prices and a surtax on oil companies' North Sea production.

According to informed sources, Government income from oil activity following the new law will be about Kr.100bn. in the next two decades.

Finance Minister Per Kleppe said during the debate that the huge increase in the price of crude is mainly the result of tax increases in other countries. It would be senseless to let tax increases in other countries give international oil companies operating in the Norwegian continental shelf enormous net profits, Mr. Kleppe said.

Reuter

DANISH OIL FIND

By Hillary Barnes

COPENHAGEN, May 29.

THE DANISH underground consortium has made an "encour*aging" oil find in the Danish* sector of the North Sea. Test output from a well in the so-called N-structure completed at a depth of 2,298 metres yielded 450 tons a day, said a statement from the group.

Banned Maoists arrested in Portugal midnight military round-up

BY JANE BERGEROL

LISBON, May 29.

COPCON military security forces last night assaulted and occupied the offices of the Maoist Party for the Reorganisation of the Proletariat (MRPP).

In a midnight exercise around the country, troops forced their way into party offices, arresting everyone inside. They removed the prisoners and all equipment from buildings in Lisbon and in the northern university city of Coimbra, another MRPP base.

The Maoists, who were banned as a party after they refused to comply with a pre-election order to change their party symbol, have remained active as a political organisation and have always been the most outspoken critics of the Armed Forces Movement (MFA).

They called for "active boycott of the electoral farce" over the election period, and have proved arch enemies of the Communist Party. With little mass support, the MRPP has been based in schools and universities, but its leaders have also succeeded in culling some labour support on the factory floor.

Confrontation with the ruling Armed Forces Movement has been building up for months, but a showdown became inevitable since the MRPP arrested soldiers last week and held them for interrogation, allegedly under torture.

A communiqué in the early hours of this morning from the Copcon command detailed torture charges against the group, and attempted to defuse charges of anti-democratic action, saying the MFA "remains faithful to its programme and the guarantee of fundamental civil liberties, but will not enter into pacts with extremist groups resorting to violence and the breakdown of public order."

Meanwhile, last night's Communist rally failed to gather more than an estimated 15,000 marchers, probably partly because of the World Cup final being broadcast on television. The marchers went to the Presidential palace of Belem to declare their support for the MFA. There they were coolly greeted by the President and other leading officers.

The politicians get their chance

BY JANE BERGEROL

LISBON'S SAO BENTO Palace will once again echo to the voices of democratically elected deputies on Monday, after half a century of a fascist parliament. The five political parties represented in the Constituent Assembly are feverishly organising committees and preparing their proposals for the new constitution; they face a long struggle before democracy can be said to have been truly established.

Although broad lines have already been laid down in a pact signed between the ruling Armed Forces Movement (MFA) and all the parties that won seats *in the elections on April 25,* considerable room remains for debate and negotiation on a variety of important constitutional issues. The Armed Forces Movement, by the terms of the pact, remains at the top of the power pyramid for three to five years.

Beneath it the parties are intent on setting up democratic (or at least party political) regional government, democratic trades unions, and a parliament able to debate and legislate and to put pressure on the Supreme Revolutionary Council, when it does not see eye to eye with the parliamentary majority. Everyone will be using the Constituent Assembly as a platform to gain wider mass support in preparation for the parliamentary elections in three to six months' time, once the constitution has been written. To this extent, *most of the political excitement* in the coming weeks may come from within Sao Bento.

The Assembly will not solve any of the basic problems facing Portugal to-day, even though it will shape the constitution and provide a forum for the parties to demonstrate their importance to a still partially sceptical nation. *The country is in a pro*found impasse. The grave economic crisis, social upheavals *inherent in the destruction of* fascism and capitalism, and in basic agrarian reforms, the increasingly naked struggle for power between the armed forces and the politicians—all contri*bute to the lack of authority in* Portugal.

Demonstrations

Ever since the first violent demonstrations in January, it has been tempting to see danger not in military dictatorship but in anarchy. To-day a military dictatorship appears less likely than ever. The Armed Forces Movement is set against the idea. Its General Assembly on Monday declared that it does not intend to act against the political parties. Moreover divisions within the MFA itself rule out a strong unified military dictatorship.

At the same time, the spectre of a Communist takeover has also receded. The party's small 12 per cent. vote disillusioned hangers on, and the Socialists, with their attacks on Communist *domination of the media and of* civil service and local authority posts, have won considerable support among officers, always against the Communist Party in their majority.

Although the General Assembly had harsh words for the Socialist leader, Dr. Mario Soares, in its final communique, the debate on the socialist party lasted for no less than five hours, proof that a strong group unit have spoken out against the anti-Socialist faction. More important still, the Communist Party Central Committee is turning away from Dr. Alvaro Cunhal's aggressive strategy and towards the Italian Communist Party line of participation in a pluralist parliamentary system. There are strong hints that this strategy is encouraged from Moscow.

The MFA itself is divided not between Communists and anti-Communists so much as between officers opposing and officers favouring the party politicians, whatever their allegiance. The anti-party military are clearly in a minority, although their leader, Gen. Otelo Saraiva de Carvalho, Chief ofr Copcon military security, is a powerful figure. He recently obtained the support of 50 out of 60 unit commanders in Portugal and therefore presumably controls the command of the army. However, he must be set against the pro-party majority in the Supreme Revolutionary Council, led by both the President and the Prime Minister—and the *same majority tendency in the* 240-man General Assembly.

Moreover, such is the climate of indiscipline within the army itself, that securing officers' support no longer means that one has obtained the obedience of the rank and file. What worries most Portuguese to-day is the inability of the military rulers to govern, *not their potential to* grab more authority. The Supreme Revolutionary Council *has proved powerless effectively* to clamp down on the wave of strikes and occupations paralysing industry and to spur workers *on to greater efforts.*

Unemployment

The economic crisis is the key to the political tone of the coming months. Unemployment is running at over 10 per cent. Angola and Mozambique are sending thousands of Portuguese home to Lisbon without jobs, and the demobilisation of the colonial army will put tens of thousands of young men on to the labour market by the end of the year. Entrepreneurs face the stiffest wage rises since the revolution with a 21 per cent. increase of the statutory minimum wage and heavy extra costs from new compulsory social security contributions, coupled with the decline of export orders and the nationalisation of banks, insurance companies, and key industries.

Traditional dislike of the armed services is rising to the *surface again after the euphoria* of the revolution and the military presence at demonstrations is also contributing to feeling against the MFA. "Why are you here? I want an explanation for the men at work to-morrow. I want to know what is happening in Portugal!" a Socialist marcher, whose path was blocked by an armoured car, called up to the soldiers last week.

*Ordinary people are increas*ingly afraid of unemployment. Their large salary increases worry them because they know that the country cannot afford them. "I don't want my salary *doubled—I need to work. I have* three kids at home," a working man explained.

There is much military emphasis on strengthening the "Armed Forces-People Alliance" these days—not only because anti-party officers want to bypass the politicians and build socialism directly with the workers, but also because the military can feel power slipping away. The people, encouraged by the election, and frightened by the military inability to deal with the economy, are turning towards the politicians. That is why it is unlikely that Dr. Soares will go through with his threat to withdraw the Socialist Party from the government. The strength of his party has been proved this week by attempts from the military to satisfy at least some of his conditions for remaining in the Government.

Notice of Redemption and Termination of Conversion Rights

Komatsu Ltd.

(Formerly Komatsu Manufacturing Co., Ltd.)
(Kabushiki Kaisha Komatsu Seisakusho)

6¾% Convertible Sinking Fund Debentures due June 30, 1984

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 1, 1969, under which the above-designated Debentures are issued, $500,000 principal amount of the said Debentures of the following distinctive numbers has been drawn by lot for redemption on June 30, 1975 through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption:

Coupon Debentures

M 128	1307	2776	3715	5228	6499	7440	8491	9565	10869	12672	14867	16021	17321	17976	18365	19146	19562
143	1221	2791	3718	5278	6501	7459	8542	9785	10907	12691	14925	16022	17333	17978	18367	19158	19604
171	1222	2817	3891	5290	6502	7495	8563	9897	10942	12733	15217	16095	17363	17990	18384	19160	19619
289	1250	2860	4005	5334	6507	7563	8576	9904	10976	12737	15246	16285	17463	17997	18387	19168	19621
370	1263	2909	4046	5367	6530	7568	8592	9942	11114	12947	15247	16291	17481	18004	18527	19171	19629
434	1266	2910	4117	5401	6554	7802	8622	9944	11152	13089	15248	16464	17574	18025	18596	19182	19653
443	1307	2919	4118	5509	6578	7660	8675	9979	11265	13202	15287	16479	17576	18070	18610	19188	19682
493	1309	2965	4199	5513	6649	7691	8678	9986	11284	13210	15335	16490	17611	18099	18680	19198	19683
609	1356	2998	4206	5515	6656	7710	8680	9988	11314	13239	15371	16491	17613	18117	18757	19215	19720
612	1360	3013	4230	5556	6675	7717	8683	9997	11411	13271	15383	16529	17759	18143	18805	19225	19728
621	1566	3016	4249	5600	6681	7807	8639	10039	11434	13447	15467	16590	17761	18187	18816	19244	19733
623	1571	3024	4267	5612	6744	7860	8756	10072	11457	13542	15481	16636	17763	18191	18817	19264	19794
650	1676	3025	4283	5629	6745	7867	8759	10082	11572	13598	15558	16640	17767	18209	18899	19271	19796
657	1740	3042	4291	5633	6826	7872	8760	10185	11605	13599	15565	16664	17768	18216	18908	19287	19798
670	1930	3238	4400	5694	6859	7914	8914	10233	11606	13609	15708	16676	17778	18217	18922	19298	19800
676	2022	3397	4405	5652	6961	7952	9004	10236	11607	13617	15831	16685	17779	18275	18944	19299	19808
681	2135	3424	4424	5660	6966	8063	9015	10270	11685	13644	15851	16840	17782	18276	18947	19325	19843
684	2186	3427	4425	5835	7036	8079	9061	10320	11743	13656	15885	16929	17785	18266	18956	19335	19850
962	2282	3431	4468	5837	7172	8112	9066	10400	11777	13686	15886	16930	17787	18302	18957	19339	19931
973	2319	3469	4557	5980	7194	8226	9233	10416	11821	13937	15960	16933	17793	18304	18981	19369	19938
975	2394	3524	4568	6018	7249	8231	9243	10431	11853	13951	15966	16942	17810	18310	18988	19385	19974
978	2414	3525	4821	6081	7277	8234	9286	10427	11925	14093	15967	16943	17835	18318	18989	19478	19979
990	2415	3624	4845	6234	7310	8320	9290	10548	11940	14150	15977	17048	17861	18327	18997	19482	19997
991	2419	3640	4909	6239	7318	8346	9408	10571	12263	14192	15982	17055	17900	18338	19008	19503	20010
992	2479	3641	4998	6315	7340	8413	9442	10582	12572	14238	15983	17071	17946	18339	19034	19517	
1062	2587	3667	5046	6332	7396	8422	9491	10802	12596	14310	15987	17098	17951	18347	19038	19545	
1068	2733	3701	5078	6368	7434	8457	9528	10803	12657	14316	15996	17104	17961	18351	19061	19546	
1205	2737	3702	5212	6494	7432	8473	9546	10804	12662	14734	16008	17170	17967	18354	19087	19551	

The Debentures referred to above will become due and payable and, UPON PRESENTATION AND SURRENDER THEREOF (with all coupons appertaining thereto, maturing after June 30, 1975), will be paid on said redemption date at the Corporate Bond Services Department of First National City Bank, 111 Wall Street, New York, N.Y. 10015, the main offices of First National City Bank in Amsterdam, Brussels, Frankfurt/Main, London, Milan and Paris or at the office of J. Henry Schroder Wagg & Co. Limited, London, Kredietbank S.A. Luxembourgeoise, Luxembourg and Banque Européenne de Tokyo, S.A., Paris, as the Company's Paying Agents. From and after said redemption date interest on said Debentures will cease to accrue.

Coupons maturing June 30, 1975 should be detached and presented for payment in the usual manner.

The above specified Debentures called for redemption may be converted at the option of the holders thereof into European Depositary Receipts representing Common Stock of Komatsu Ltd. (the "Company") upon deposit of such Debentures, with all unmatured coupons attached, with First National City Bank, as Depositary, at its principal office in London, England, or at one of the above-mentioned offices of the Company's Paying Agents, acting as Subdepositaries, at any time until the close of business on said redemption date, at a conversion price (with Debentures taken at their principal amount translated into Japanese Yen at the rate of Y360 equals $1) of Y248.40 Japanese Yen per share of Common Stock. Upon such conversion the Depositary will issue and deliver at its said office in London, England, or at the office of said Subdepositaries outside the United States of America, its European Depositary Receipts, in bearer form, representing said shares of Common Stock. At the option of the Debentureholder electing conversion, the Depositary will direct The Sumitomo Bank, Limited to deliver, in lieu of such European Depositary Receipts, said certificates for said shares to or upon the order of the converting Debentureholder at the principal office in Tokyo of said Bank or, at the risk and expense of said holder, at the Depositary's principal office in London, England, or at the office of one of said Subdepositaries outside the United States of America. AT THE CLOSE OF BUSINESS ON SAID REDEMPTION DATE SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL DEBENTURES BEING REDEEMED AS SPECIFIED ABOVE. Upon conversion of any Debenture, no adjustment on account of interest or dividends will be made and no fractional shares of Common Stock will be issued.

On May 16, 1975, the closing sale price on the Tokyo Stock Exchange of the Common Stock was 335 Yen per share ($1.15 per share at the rate of Y291 equals $1.00). At this price, the holder of $1,000 principal amount of Debentures would receive upon conversion 1449 Yen shares of Common Stock having an aggregate market value of $1666.35. Only if the market price of the Common Stock is less than 201 Yen per share ($.69 per share at the rate of Y291 equals $1.00) would a Debentureholder receive, upon conversion of Debentures, Common Stock having a lesser market value than the cash which such holder would receive if he surrendered his Debentures for redemption.

KOMATSU LTD.
By: First National City Bank, As Trustee.

Dated: May 30, 1975.

OVERSEAS NEWS

CHINA AND S.E. ASIA

Peking plays it both ways

BY A CORRESPONDENT IN PEKING

CHINA is pursuing its own version of an evenhanded policy towards other countries in the South East Asian region while waiting for the dust to settle in Indochina. One by one it is winning over the Asian nations, the members of the Association of South East Asian Nations. Malaysia was the first to make the breakthrough and now has an expanding embassy in Peking. The next two countries to establish diplomatic relations with China will be the Philippines and Thailand. The Philippines is already firmly committed to the step. President Marcos is expected to visit Peking this summer—according to some reports next month—to sign diplomatic accords. Thailand is expected not to be too far behind, the recent Mayaguez incident having given it a push towards the Chinese camp.

Singapore is proving harder to win over, but even the formidable Mr. Lee Kuan Yew seems to have put a foot, however reluctantly, on the road to Peking, leaving Indonesia as odd man out.

Insurgents

China is extending a friendly hand to any Asian neighbour which wishes to take it. At the same time, however, it is maintaining links with Communist insurgents in other countries in the region and offering them—if nothing else—fraternal encouragement. Last year Thailand's Defence Minister, Air Chief Marshal Dawee Chullasap, said that Premier Chou En-lai had personally assured him that China had stopped supporting the Communist insurgents in Thailand, Laos, and other South East Asian countries. When the Malaysian Prime Minister, Tun Abdul Razak went to Peking to formalise relations, he said that he had been given assurances that China regarded the Communist insurgency in Malaysia as a purely internal problem which the Government in Kuala Lumpur could deal with as it thought fit. However, in recent weeks since the fall of Phnom Penh and Saigon, and since Laos came largely under the control of the Left, China has sharply stepped up its moral support for the outlawed Communist parties in other countries of the region.

In every speech made by any Chinese leader these days it is claimed that the situation throughout the world is "excellent for revolution." The official Chinese stance expressed recently to foreign visitors is that "China supports revolution, but does not export it." A high Chinese official has told visitors that it was inevitable that revolutionaries in other countries should model their struggle on that of China—just as China's revolution had been partly derived from the French and Russian models. However, support for revolutionary movements in the Asian region seems to go a little beyond that and the expression of fraternal sentiments has certainly been growing warmer.

Only a few days ago the Central Committee of the Chinese Communist Party sent a message to the Central Committee of the Communist Party of Indonesia, expressing the view that though the "Indonesian revolution" had suffered temporary setbacks, it would achieve victory in the end. Peking in fact has a small colony of permanently resident Indonesian Communists. Rarely seen in public, they are mainly political refugees and sought shelter in China after the purge of Communists in the 1960s. This permanent colony is referred to as the CPI Central Committee delegation.

In a message greeting the 55th anniversary of the founding of the CPI, the Chinese Central Committee said that China and Indonesian Communists had always supported each other in revolutionary struggles. This friendship and unity would "certainly be further consolidated and developed in the future during the common struggle against imperialism revisionism and reaction." China's moral support for the Indonesian Party and the continuing presence of Communist leaders on Chinese soil throw up a barrier to any further advance along the road to diplomatic recognition.

China supports insurgents even in Socialist countries with which it has full diplomatic relations. Burma has a fullscale embassy in Peking, but the new

leader of the outlawed Communist Party of Burma, Thakin Ba Thein Tin, has spent most of his time in Peking in recent years. He succeeded recently to the leadership of the Central Committee following the wiping out of the former Chairman, Thakin Zin, and Party Secretary, Thakin Chit, in an anti-insurgency drive. In a message which had top priority in all the Chinese media, China pledged support for the remnants of the party.

The Burmese Communist Party needs all the support, moral or otherwise, which it can get at the moment as it is clear that it has suffered very considerable losses and will find it hard to regroup. Its clandestine radio station, The Voice of the People of Burma, operates from Chinese territory, as do two other "clandestine" stations, The Voice of the People of Thailand, and The Voice of the Malayan Revolution.

Assurances

Despite assurances given to Tun Razak last year that China would not interfere in the internal affairs of Malaysia, China only last month sent a warm fraternal message to the Malayan Communist Party. The message said that China believed the "revolutionary armed struggle" of the Malayan people would eventually triumph. As the Malayan Communist Party has among its stated aims the overthrow of the Government of Singapore as well as of Malaysia, this must have given the ever sceptical Mr. Lee Kuan Yew some further grounds for hesitation. At exactly the same time as China was sending the message to the MCP, the Chinese leadership was feting and banqueting an official Malaysian mining and agricultural delegation.

The clandestine radio most frequently quoted in China is the Voice of the People of Thailand. There are now said to be up to 10,000 armed full-time insurgents in Thailand, and the Chinese media, quoting from the Yunnan-based station, regularly report victories of the "people's armed forces." If, as is believed in Peking, Thailand soon establishes diplomatic relations with China it will presumably try to get from the Chinese leadership some undertaking to withdraw support from the Thai Communist party with the hope of a better follow through than Malaysia has had.

Sydney Morning Herald

Zambia to ban private ownership

By Our Own Correspondent

LUSAKA, May 29.

ZAMBIA is poised to nationalise all private enterprises except those conducted on a co-operative basis. This follows a warning by President Kenneth Kaunda recently that in future there will be no room for private enterprise in Zambia.

The Zambian Head of State has hinted that private ownership will not be allowed. He said production and distribution of wealth in the country will be placed in the hands of the people through the ruling party, the United National Independence Party (UNIP). Dr. Kaunda is expected to make a major economic policy statement at the UNIP national council meeting which is expected to meet next month.

The National Council is the national assembly of the party consisting of 800 delegates drawn from a cross section of the Zambian community. President Kaunda revealed these measures at a Press conference at which he announced that he had suspended a Cabinet Minister and a former High Commissioner to London, Mr. Amock Phiri, and two members of parliament.

The men were suspended from the party and ceased to be members of Parliament for failing to declare their assets in accordance with the leadership code which does not allow leaders to have two sources of income. He advised leaders intending to go into private business that they could only do so if they formed co-operative societies.

The leadership code is to be amended to include spouses; if the husband owns a business, the wife is also automatically affected by the code.

President Kaunda has promised that his revolution aimed at curbing exploitation and the gap between the poor and rich will succeed. The recent announcement by the Zambian head of State has caused panic among those who were intending going into business in order to evade the code.

Multi-racial government plan for Rhodesia

BY TONY HAWKINS

SALISBURY, May 29.

RHODESIA'S main white Opposition party — the Moderate Rhodesia Party — to-day unveiled a constitutional programme aimed at furthering detente and breaking the current deadlock between the Rhodesian Front Government and the African National Council. The plan provides for an interim period of five years during which an interim multi-racial Government would rule the country prior to full elections.

The Rhodesia Party says the Government should convene a constitutional conference which would be given the task of drawing up a new Constitution based on the principle of "irreversible progress" towards black majority rule and provision of safeguards to protect the rights of individuals and minority groups.

The conference would have to agree on a franchise (based on a common roll), make provision for a five-year interim period during which an appointed — as distinct from elected — administration would operate and consider treaty arrangements under which the parties to detente and the U.K. would agree to assist Rhodesia and "underwrite" the new Constitution.

The proposed new Constitution would include an executive President to be elected every four years, Parliament based on proportional representation (also elected every four years), a Council of State which would act as a constitutional commission with powers of veto over legislation that conflicted with the Bill of Rights, and a justiciable Bill of Rights.

The RP says that the common roll based on a qualified franchise and proportional representation would discourage extremism and end the black/white confrontation.

During the interim period of five years, there would be a Settlement Commission made up mainly of members of the ruling Rhodesian Front and the ANC with a white majority on the executive of the National Government which this commission would appoint. The interim Government would dismantle all racially discriminatory legislation, provide time for the ANC to settle its policies and not on race.

The new Constitution would be guaranteed by a treaty signed by Britain, Botswana, South Africa, Zambia, Mozambique, Malawi and Tanzania.

Rhodesia Party leader Tim Gibbs told a news conference that the constitutional plan had been sent to interested parties, including the Rhodesian Government and the ANC. In political circles here, the plan is seen as a genuine effort to provide a working document for a constitutional conference, though it is difficult to see the Government or the militant wing of the ANC being prepared to accept it.

The plan does not spell out when majority rule would be reached—this is left to the constitutional conference which would have to agree to the franchise terms which, in turn, would dictate the pace of advance to majority rule.

Under present conditions, the Smith Government is most unlikely to accept the idea of an interim national Government for a five-year period, while the Nationalists would almost certainly argue that the five-year period was too long. Furthermore, the whites would be most unlikely to accept the inevitability for a significantly longer period of European control.

Unless the ANC adopts a more moderate stand at its central executive meeting on Sunday than seems probable, the prospects for any kind of constitutional conference this year look remote. Mr. Smith delivered his ultimatum to the ANC initially at last Thursday's meeting and then publicly on Monday.

Mr. Smith is believed to have told the ANC that he is willing to go to an immediate conference (which must be held in Rhodesia without British participation) even if there is no ceasefire, provided the ANC drops its demand for the release of detainees, and the ending of executions of convicted terrorists.

While the initial ANC reaction last Thursday is thought to have been relatively encouraging, Mr. Smith's hardline speech on Monday combined with Wednesday's attack on the ANC by the President of the Chiefs Council and Chief Chirau, and the weekend detention of the Rev. Canaan Banana, a former vice-president of the ANC, have all strengthened the hand of the militants who seem likely to succeed in ensuring that the Government ultimatum is rejected when the executive meets on Sunday.

If this happens then Mr. Smith seems likely to start talks with "other groups" of Africans — notably the chiefs — in an attempt to secure agreement on some kind of programme of separate development.

Namibia black 'pass law' abolished

WINDHOEK, May 29.

THE SOUTH African Government has abolished one of the irritating aspects of its apartheid policies in South West Africa—a law requiring blacks to carry bulky identity documents at all times.

The law was quietly taken off the statute books last month. Its repeal was one of the demands made by the organisation of African unity and the United Nations as a start to ending the Republic's administration of the disputed desert country.

Diplomats said the move would go some way towards improving South Africa's position when the UN Security Council debates the South-West Africa problem tomorrow—when the deadline imposed by the UN for South Africa to give up the territory expires.

The scrapping of the so-called "pass law" for South West African blacks—a similar one is in force in South Africa—would give blacks greater freedom of movement around the country. It will also eliminate tens of thousands of court appearances annually for blacks charged with failing to carry their pass with them.

Mr. Dirk Mudge, chairman of the Executive Committee of the territory's Legislative Assembly, said some influx controls would remain. "If they were lifted altogether chaos and unemployment would result." The pass laws were introduced to control the flow of rural blacks to the cities and to register them.

The Republic has administered South West Africa, also known as Namibia, since 1920, first under a mandate from the League of Nations and for the past 30 years in defiance of UN demands to withdraw from it.

Foreign Minister Hilgard Muller told Parliament in Cape Town on Wednesday that South Africa had no intentions of leaving the territory yet.

UPI

Israel mission siege trial begins

JOHANNESBURG, May 29.

TWO BROTHERS accused of murder in connection with the siege at the Israeli consulate here last month appeared in the regional magistrates court to-day. One man was killed and 37 people were injured in the siege.

David Protter, 26, who appeared with his brother Charles, 21, asked from the dock if he could make a statement and declared: "I am guilty of manslaughter or culpable homicide." But Protter, who gave himself up on April 29 after the 16-hour siege, said he was fully responsible for the incident and his brother was not involved.

"He had no idea what was happening. He was there by coincidence and by my manipulation," he said.

Twenty-one people at the consulate were held hostage at gunpoint during the siege.

Reuter

Russian-Libyan deal worries Cairo

BY MICHAEL TINGAY

CAIRO, May 29

EGYPT has made a formal request to the Soviet Union for an explanation of the reported giant arms agreement between Moscow and the Libyan regime, according to a high official source.

In the first official account on the Egyptian assessment of the controversial arms deal, variously assessed at between \$1bn. and \$12bn., but believed by observers to be closer to the first figure, the source said that Egypt has still not been given an account of the developments between Moscow and Tripoli.

Egypt is particularly bitter about the agreement under which Libya will receive the latest tanks, aircraft and missiles, because the Soviet Union is now to provide arms to the mistrusted Khedaffi regime which have either been refused to Egypt or have been cut off. Under the terms of the Egyptian-Soviet friendship treaty, Moscow is bound to inform Egypt about any such deals with other Arab countries.

Egypt has also sent a note to the Libyan Government, expressing Egyptian reservations on an arms deal of this nature, the source continued. The actual size and value of the arms deal is thought in Cairo to be largely irrelevant when such vast sums of money are concerned. The real point is that the nature of the weaponry—believed by some specialists here to include the MiG 23—and the quantities are quite disproportionate to the population and defence needs.

The Egyptian view is that whatever the intentions of the recipient or the supplier of the weapons there is a serious danger to the sovereignty of a country with a tiny population like Libya's. As to whether the Soviets are to be offered bases or military facilities this does not obviate the need for large numbers of Russian "advisers" to enter the country, and this could be a threat.

Although Cairo is clearly near protesting to Moscow about its behaviour both over the deal itself and the failure to inform Cairo that such a development was taking place, the official hinted strongly that Egypt was not about to take steps which would cause any further deterioration in relations with Moscow.

● EGYPTIAN Foreign Minister Ismail Fahmi, looking ahead to next week's talks between President Sadat and President Ford, said in an interview published to-day that the situation would be very grave if the Ford-Sadat talks did not produce positive results.

"Either we advance towards a just peace or we slide backwards to the brink of war," Mr. Fahmi told the semi-official Cairo newspaper Al-Ahram.

Reuter

Heavy fighting in northern Angola town

LUANDA, May 29.

HUNDREDS of people have fled the town of Caxito in Northern Angola after heavy fighting between rival liberation movements.

One of the refugees who reached Luanda to-day told reporters the Zaire-based National Front for the Liberation of Angola (FNLA) and the Marxist Popular Movement for the Liberation of Angola (MPLA) had suffered severe casualties.

One white settler said a bazooka shell had blasted his house in Caxito yesterday, killing his two children—one a six-month-old baby—and seriously wounding his wife.

The authorities told a crowd of refugees gathered in front of the Portuguese High Commissioner's palace here that Portuguese paratroopers had been sent to the town—40 miles north of Luanda—to restore order.

Further incidents are reported to have occurred in the northern town of Quibaxe and Bula Atumba, as well as around the Madubas dam near Caxito. No official confirmation was available.

A military spokesman, however, said there had been troubles in Malange—a town 250 miles east of here—but he added that order had been restored early to-day. He gave no details.

The town of Caxito — considered to be an MPLA stronghold — is where the FNLA withdrew hundreds of soldiers and anti-aircraft guns when the two feuding movements pulled out some of their troops from the capital last week.

Reuter

Laos Cabinet changes

VIENTIANE, May 29.

THE LAOTIAN Prime Minister, Prince Souvanna Phouma, has decided that the replacements for the Right-wing members of his coalition Government who resigned on May 10 will be men connected with the moderate Right wing, according to informed sources here.

Observers are interpreting this as an indication that the pro-Communist Pathet Lao do not want to rush into a takeover of the whole Government. But in effect, the Government already is under Pathet Lao control.

A Government spokesman to-day denied that the Pathet Lao planned to take over the country as a whole. The spokesman, Deputy Information Minister Ouday Souvannavong, told a Press conference that the entry of Pathet Lao troops into a number of southern cities did not mean an intended takeover. He added that the Defence Ministry would ask pro-Communist senior officers to join the military command of the Right-wing Vientiane side in discussing ways of speeding the unification of the two forces.

diplomatic sources say that in

Reuter

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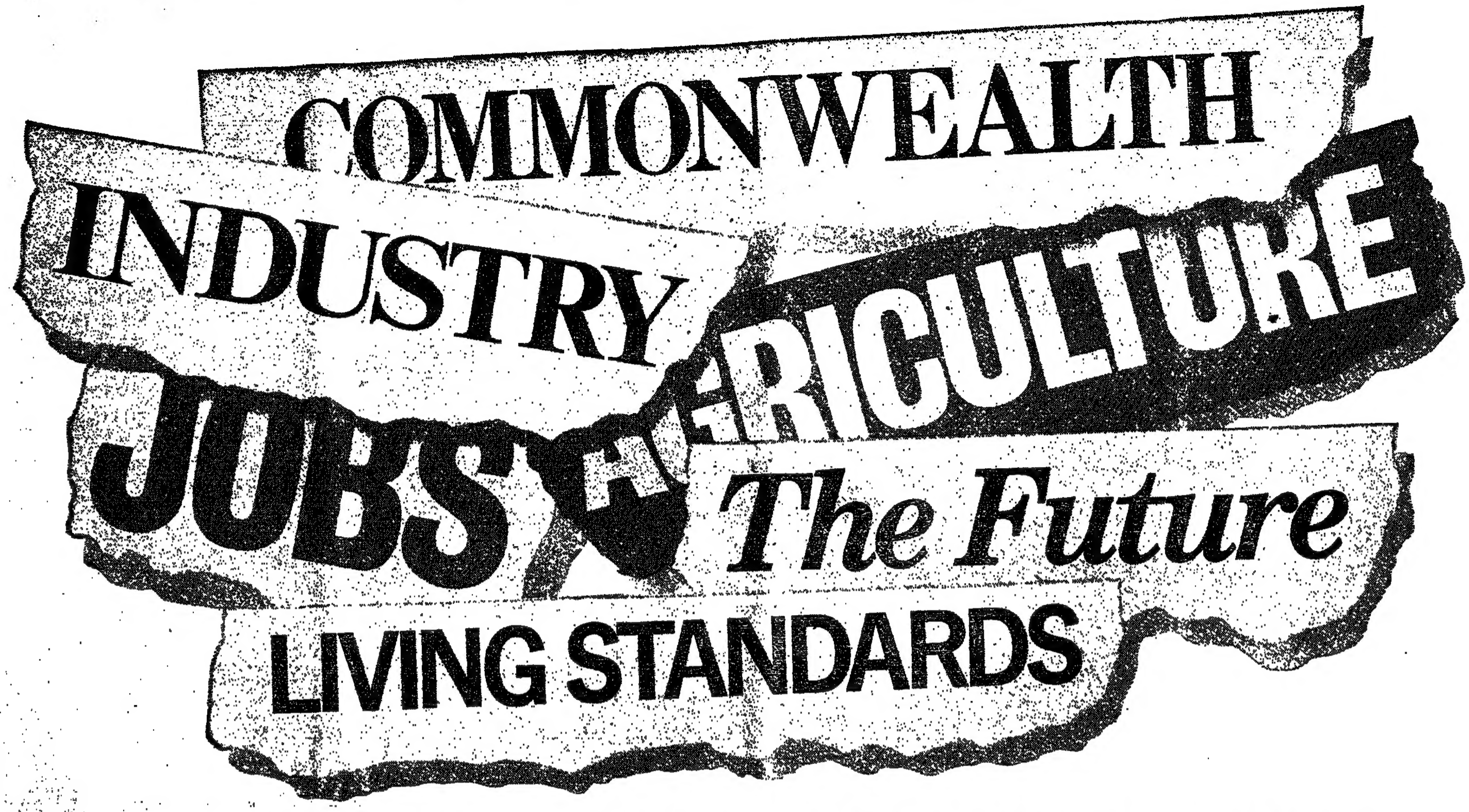

READ YOUR THREE LEAFLETS. IF YOU HAVE NOT RECEIVED COPIES, THERE IS STILL TIME TO GET THEM.

These leaflets are being distributed throughout the U.K. during this week, but if for any reason you do not receive copies, all three leaflets will be available, free, at main Post Offices from Saturday May 31st.

The leaflets deal with topics of great importance to everybody:

What are the issues on which we should base our decision? What are the alternatives? How will the decision affect our lives, the lives of our children, and Britain's influence in the world?

One leaflet, 'Britain's New Deal in Europe', gives the Government's own reasons for recommending that we stay in the Common Market. The other two leaflets, published independently of the Government, give: the case for Britain's continued membership of the Common Market, presented by Britain in Europe; and the case for Britain's withdrawal from the Common Market, presented by the National Referendum Campaign.

Use this information to make your own judgement.
And use your vote on June 5th.

Read, consider, and decide.

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HOME NEWS

Questions over the future of nuclear power plants

BY DAVID FISHLOCK, SCIENCE EDITOR

HOW MUCH longer Britain's existing nuclear power stations can be expected to continue working, and under what conditions, are questions the Nuclear Installations Inspectorate will try to answer in an assessment to be started this summer.

The answers are required by the electricity supply industry to help long-range planning of its new generating capacity for the mid-1980s and after, and to indicate how soon it must think seriously of the problems of decommissioning reactors.

It arises from the fact that the earliest of Britain's nine commercial magnox nuclear stations are now well into the second half of a designed-for life of 20 years.

The nuclear inspectors will also assess how frequently the nuclear stations need to be inspected up to and beyond their designed-for life.

Mr. Arthur Hawkins, chairman of the Central Electricity Generating Board, at an international nuclear conference in Paris recently, described the magnox reactors as "reliable, untemperamental workhorses" which year after year had "demonstrated their stamina and effectiveness."

Although they represented only about 6 per cent. of the CEGB's plant capacity last year, he said, they had accounted for nearly 10 per cent. of the units generated.

Last winter, the CEGB's seven fully-commissioned magnox stations—excluding Wylfa, which has never reached full power—averaged for a three-month period a load factor of 98 per cent. This was, said Mr. Hawkins, "far higher" than any comparable conventional plant on the CEGB system.

Restrictions

This performance has been achieved despite severe restrictions of the output of all but one of the nine U.K. stations, follow- the discovery in 1968 of excessive corrosion of steelwork within the reactors by their hot carbon dioxide coolant. The one commercial station unaffected was Berkeley in Gloucestershire, one of the earliest—it was commissioned in 1962—with an operating temperature of 380°C.

The nuclear inspectors promptly restricted the temperature for continuous operation of the magnox reactors to 360°C., although they were permitted to increase to 380°C. for brief periods during the peak winter load.

Overall, the effect of the restrictions was to reduce their electricity capacity by about 10 per cent.

Th nuclear inspectors also instigated a thorough inspection of every magnox reactor every two years. This summer's assessment will show whether the frequency of this inspection needs to be increased as the reactors near the end of their designed-for life.

The problems of decommisioning reactors, whenever this should prove necessary, are probably far fewer than some commentators have suggested. The nuclear "piles" at Windscale, progenitors of the magnox reactors, which were decommissioned in the late 1950s, are now being used to provide office accommodation for the staff of British Nuclear Fuels.

Quarterly building orders fall

BY MICHAEL CASSELL

ORDERS won by building contractors in the first three months of this year were 12 per cent. below the level in the last quarter of 1974, according to provisional figures released yesterday by the Department of the Environment.

Compared with the first quarter of 1974 orders were 5 per cent. down. In March alone, total orders obtained by builders were valued at £537m. against £483m. in February, the highest monthly total recorded since last July.

The patchy pattern of progress in the council housing sector continued into March, with orders falling from £136m. in February to £122m. In the private sector, however, orders placed during March were estimated at £82m. compared with £67m. in February, the best monthly figure since January 1974.

Public works contracts in March reached £166m. against only £135m. in the previous month while private industrial contracts accepted in March were valued at £97m., an increase of £15m. from February. Private commercial orders were estimated at £69m., a marginal rise of £6m. on February.

Public housing orders in the first quarter, expressed in constant prices and adjusted to exclude normal seasonal variations, were 30 per cent. up on a year earlier. Private housing orders, however, were only 3 per cent. up on the very disappointing last quarter of 1974 and 4 per cent. below the level achieved in the early part of last year.

SNP hopes for a prosperous England

BY CHRIS BAUR

THE SCOTTISH National Party, at the first session of its annual conference in Perth last night, indicated that it had begun the delicate search for new policies which ultimately might reduce the opportunity for Anglo-Scottish friction if the party continued to make the headway electorally that it has done in the past year.

Mr. Douglas Crawford, one of the party's 11 MPs and its spokesman on industry and finance, began the process by suggesting that Scottish self-government might prove to be "one of the best things that could happen to England."

Self-interest

He added: "Our present political system is so centralised and fossilised that it needs a major constitutional shake-up to break its ancient rock formation." He appealed to the party to be "humble enough to realise that it will be in our own self-interest to have as a neighbour a prosperous and decentralised country—England."

The second straw in the same wind has come in a report about the preliminary work of a group of economists and bankers under Mr. Crawford. The group has been examining the mechanics of separating the English and Scottish economies if it became obvious that Scottish voters continued to be attracted to the SNP.

Somewhat controversially for many of the SNP's emotional followers, the group is understood to have concluded that the unscrambling of the economic omelette would be so difficult that it might imply postponing for some years the faster growth rate which the SNP has always stated would be possible under self-government.

This need to come to terms with the practical consequences of the party's drive for Scottish independence is likely to be reflected in speeches by other leaders. Far from regarding this conference as a jamboree marking the party's achievement as Scotland's third largest political force, several leaders are known to be striving anxiously for new understandings about Scotland's position with other countries, including England, on such questions as North Sea oil and participation in the EEC.

The conference will also have important decisions to take on its participation in the proposed elected Scottish Assembly. It has to tread the difficult line which separates its wish to control even an Assembly with limited powers from its desire to prove that such a "half-way house" would be unworkable.

The party's National Council resolution states that, while it will make a constructive contribution "in those limited areas of responsibility likely to be given to the Assembly by the present Westminster Government," it will also work vigorously to extend the Assembly's powers "until it becomes a real Scottish Parliament."

Tax collecting

It demands that the Assembly, on which a new White Paper is expected this summer, should be given responsibility for raising and collecting all taxation in Scotland, including oil revenues. As well as assuming the present functions of the Secretary of State for Scotland, the Assembly should take over the Scottish functions of the Department of Trade, Industry, Energy, Employment, Environment, Social Security and the proposed National Enterprise Board.

LATEST WILLS

	Net
Colonel G. H. Kitson, a former director of the Leeds Permanent Building Society, and its president from 1948 to 1951, left £61,937 gross (duty £6,754)	£51,834
Mr. R. E. Bland, a former member of the London Stock Exchange, left £79,017 gross (duty £2,532)	£58,180

Further duty may be payable.

Advertising problem for new paper

By Antony Thorncroft

THE SCOTTISH Daily News, the workers' co-operative that rose after the Daily Express's Glasgow shutdown, is selling more copies than it expected, but falling down on advertising revenue. This was the message given to advertising agency representatives by Mr. Eric Tough, general manager, in London yesterday.

He said that the daily average during the three weeks of publication was 231,000, ranging from an initial peak of 310,000 to a low of 220,000. Circulation was above the forecast break-even point, but advertising revenue had been disappointing.

The newspaper had hoped that advertising would contribute 42 per cent. of the revenue. It had not reached this figure, but Mr. Tough maintained that it was above the reported level of 18 per cent. Obviously the Scottish Daily News needs to establish an advertising office in London to attract the national advertisers, and the mood at the meeting was favourably disposed towards the new paper.

Mr. Tough said there was no question of the paper closing in October. "If we stay at the present average mark, we shall go on for ever," he said. "There have been all sorts of wild rumours, and most of them have been maliciously destructive.

The newspaper's advertising has not been helped by rates which make it much more expensive in terms of cost per thousand than its Scottish competitors.

Machine tool makers face 'real' recession

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

CONFIRMATION that the machine tool industry was well on the way to recession by the end of February comes to-day with publication of Department of Industry statistics.

They show that in the three months to the end of February the intake of new orders fell by 21 per cent., mostly accounted for by a sharp decline of 35 per cent. in orders from the home market. The intake of export new orders was down 5 per cent.

When compared with the same period of last year, export new orders have shown a fall of 23 per cent. which combined with a decrease of 33 per cent. in home new orders resulted in a reduction of 28 per cent. in the total intake over the 12 months to the end of February.

As is pointed out in Trade and Industry magazine, which publishes the figures to-day, this decline in value of new orders covers a somewhat greater fall in volume offset by price increases over the past year.

Since February, nothing has changed significantly in the overall trends. A spokesman for the Machine Tool Trades Association commented last night: "There will have to be an increase in order input to prevent the industry falling into a real recession."

Mr. George Trowbridge, new president of the MTTA, recently gave a warning that the industry is running out of work and by October will have to think carefully about the level of employment it can maintain.

He pointed out that the U.K. machine tool industry had been suffering a downturn in incoming orders since last October and this situation would take roughly a year to work through to the manufacturing operations. For some companies the crisis would come earlier.

To-day's statistics show that orders-on-hand at the end of February were £260m., up 16 per cent. on the same time a year before. "In value terms, total orders-on-hand are probably sufficient to support a relatively high level of sales well into 1975," said the Department of Industry.

However, an authoritive view of prospects—and one which has widespread support in the industry—has come from Mr. George Ashton, managing director of the machine division of Tube Investments. He forecasts that demand for machine tools will not pick up until the middle of 1976.

Mr. Ashton says that the industry has been "in considerable recession" for about 12 months and "this is presently worsening rather than improving."

Of the orders-on-hand some £119m. were for the home market (up three per cent. over the three-month period) and £105.8m. were for export (up 30 per cent. over the three months).

Falling foreign orders worry British aerospace industry

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONCERN IS now being expressed in the U.K. aerospace industry at falling foreign inquiries and orders as a result of the uncertainties the industry faces over nationalisation and the forthcoming referendum.

Some of the industry's leaders, for example, are openly suggesting that a decision by the Australian Government to buy the U.S. Lockheed Orion maritime patrol aircraft in place of the Hawker Siddeley Nimrod, resulting in the loss of potential business worth £150m. to the U.K. over the next 10 years, is a direct result fo both inflation in the U.K. and uncertainties about the future pattern and progress of the U.K. industry.

Industry leaders attending the International Air Show which opens here to-day—traditionally the world's aviation mecca—will be using it as a testing ground of the strength of overseas feeling about the future condition of the U.K. industry.

Many of the industry's leaders with whom I have spoken in the past few days say that their foreign customers and collaborative partners are expressing anxiety about their future relationships with British aerospace.

Some of this uncertainty is directly related to next week's referendum on Common Market membership, though the general belief within the aerospace industry appears to be that the outcome will be yes, ensuring continued U.K. relationships with the European aircraft industry.

But the nationalisation issue is posing some more serious questions. U.K. industry personnel attending the air show are finding themselves continually being asked about the future structure of the industry under State control and they are unable to give any kind of assurances because they do not know themselves how or when the industry is going to be reorganised and who is going to run it.

Some leaders of the industry are openly hoping that the nationalisation Bill will be crowded out of the current Parliamentary timetable, giving time for more serious discussions with the Government on its form than have occurred so far.

They argue that even if this results in an extended investment and development hiatus, it would still result eventually in a more acceptable form of reorganisation than currently appears likely.

Others in the industry, however, argue forcefully that this hiatus is here already and that it is being clearly revealed at the air show despite the brave display the U.K. industry as a whole is mounting.

One example that is constantly cited is the U.K. Government's unwillingness to help finance Rolls-Royce in its plan to put the uprated RB-211 engine, the 524, into the Boeing 747 Jumbo jet.

The volume of investment required is said to be little more than £11m. and it is a source of astonishment, not only to Boeing, but also to many other overseas aerospace companies, that the U.K. should hesitate over an opportunity to get into one of the world's major civil aircraft programmes.

BBC No to £90,000 Test fee

By Michael Thompson-Noel

THE BBC has rejected the Test and County Cricket Board's counter call for a fee of £90,000 to televise three of this summer's four Tests against Australia. The corporation said it hoped the Board would reconsider its demands.

The BBC said yesterday: "The corporation's original offer of £95,000 for the four Tests was increased by £20,000 to secure, among other items, the live rights of morning play for Australia, which have no bearing on gate receipts in this country.

"When this new total of £115,000 was added to the present rights to be paid for the Prudential world cup cricket competition, the John Player League and the Gillette and Benson and Hedges competitions, the BBC's total investment in cricket for 1975 was £228,726."

The BBC had also offered to increase the 1975 fee of £115,000 for four Tests to £126,500 in 1976 for five Tests against the West Indies.

An important factor which had weighed heavily against paying £90,000 for restricted Test coverage this summer, said the corporation, was the high production costs involved—around £20,000 per Test.

● BBC chairman Sir Michael Swann, in a speech in Berlin yesterday said it was no accident that only in true parliamentary democracies was there any measure of broadcasting freedom, although parliamentary democracy was no guarantee of freedom.

Direct finance would be the easiest way for democratic governments to control broadcasting, which was why the BBC was "strongly, indeed passionately, attached to the licence fee as a mechanism of finance, notwithstanding its disadvantages."

APPOINTMENTS

Mr. John Sidwell has become managing director of Crosby Windows, and Mr. Roger Burford has been made managing director of Crosby Door. The companies are subsidiaries of CROSBY AND CO.

★

Mr. R. W. Bailey has succeeded Mr. W. L. Crossley as senior adviser to the London branch of DOW BANKING CORPORATION and Mr. S. Yoshida, an assistant chief manager of the Fuji Bank, Tokyo, has been seconded to London as adviser for the Far East.

Docks Board £12.1m. record surplus

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DESPITE last year's economic difficulties, the British Transport Docks Board—operating 19 U.K. ports—made a record surplus of £12.1m. in 1974.

Nevertheless, the return on capital employed—about 7.8 per cent.—is not adequate, Sir Humphrey Browne, the Board's chairman, said in London yesterday.

Introducing the Board's annual report for 1974 Sir Humphrey declared: "It is evident that in present-day conditions, neither the actual rate of return nor the target of 9 per cent. for this year are any longer adequate."

Although in the first four months of this year, the surplus was running £250,000 below the level in the same period of 1974, Sir Humphrey said the Board was aiming for a £13½m. surplus for 1975.

The implication would seem to be that port charges will have to be raised considerably to meet this target.

A similar suggestion was implicit on Wednesday when Lord Aldington, chairman of the Port of London Authority, said the PLA would like to achieve a profit of between £15m. and £20m. on the capital employed of around £140m., as against an expected loss this year of well over £1m.

British ports can raise charges on export trade without restriction. Only about 11 per cent. of the Board's traffic is subject to price control. Although port charges went up on May 1, it is not unlikely that a further increase will be introduced this year.

The rate of return on capital is a subject "which the Government will doubtless discuss with the Board before the present target period expires," Sir Humphrey went on.

"Meanwhile, for corporate planning purposes, the Board are aiming to achieve an increase in the rate of return each year and also to maintain the basis of self-financing which has obtained since the second half of 1972."

Ports under the Board's control "would suffer greatly from Britain's withdrawal from the Common Market, particularly our east coast ports."

Against the background of the Government's proposals to take all British ports into public ownership, the philosophy of the BTDB—already a State organisation—is particularly relevant.

"Within a context of competition, the Board are confident that their ports will continue to prosper.

"The Board's policy is to combine strong financial control from the centre with maximum local operational freedom so that local management may exercise initiative and respond quickly and flexibly both to local conditions and to new trade opportunities.

"This philosophy has undoubtedly helped our ports to win an increasing share of U.K. seaborne trade."

Interest payment

The Board's £12.1m. surplus was £423,000 higher than the previous record in 1973. Interest payments for the year were £7m. (£6.9m. in 1973) and—based on movements in the retail price index—an increased amount of nearly £3m. (£2m. in 1973) was transferred to reserve to cover replacement cost depreciation.

Net surplus after replacement-cost depreciation, before deferred tax, was £1.5m., compared with £3.3m. in 1973.

Total tonnage of goods passing through the BTDB's ports last year, at 84.8m. tonnes, was nearly 5m. tonnes below the 1973 record but this was more than accounted for by a 5.5m. tonnes drop in oil traffic.

Trade in general cargo expanded by 450,000 tons to nearly 17m. tonnes—mainly because of further growth in unit load traffic on roll-on, roll-off and lift-on, lift-off container services which rose from 7.2m. to 7.6m. tonnes.

The Board's report shows that capital investment last year totalled £8.7m., largely financed out of the Board's own cash flow without recourse to external borrowing.

Commenting on the Board's plans, already announced, for a further extension of Southampton's containerport facilities, Sir Humphrey stressed the organisation's satisfaction at winning the South African container trade "in the face of very keen competition" from other U.K. ports, including London.

IMI contracts to use domestic waste as fuel

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE PROSPECT of industry using 4m. tons annually of domestic refuse for energy requirements—a quarter of the *national dustbin total*—is held out by a pioneering project at Imperial Metal Industries plant in Birmingham.

The 230-acre site, at which 8,000 are employed, is served by a power station sufficient for a city the size of Hereford. Starting this autumn, one of three chain-grate boilers will be converted to using 15,000 tons of treated domestic waste a year *and IMI is confident of being* able to replace half the heat requirements for them by waste.

Ultimately waste usage is planned to rise to 60,000 tons a year.

The potential for the scheme is *such that talks with the Central* Electricity Generating Board begin next week. Refuse has about half the calorific value of coal and it is estimated that the CEGB can use up to 10m. tons a year.

In the West Midlands, 60 per cent. of refuse is incinerated, but the national average is 10 per cent., leaving a tremendous and growing problem of tipping which could now be largely solved at no great expense.

IMI is spending £250,000 on pulverising and associated plant and has spent about £20,000 in converting a boiler. A five-year contract with West Midlands Metropolitan County Council *calls initially for the disposal by* IMI of up to 15,000 tons a year of raw domestic waste for the first two years.

In return, the council, again for the first two years, will pay IMI £2 a ton, but there will be no cost for extra tonnage.

U.S. company to aid motor industry review

By Terry Dodsworth

THE CENTRAL Policy Review Staff—the Think Tank—has asked McKinsey and Co., the American consultancy, to assist with its long-term review of the *British motor* industry.

The CPRS study was *announced early this year* to examine the *national* and international factors likely to affect the size and shape of the industry. McKinsey has been given the contract largely because of its international base and contacts with the North American market.

It is not unusual for the CPRS to use outside bodies, such as university departments and consultants, and McKinsey has helped on studies before.

Industrial profitability 'likely to improve'

FINANCIAL TIMES REPORTER

PROFITABILITY IN British industry is not out of line with that of American industry and is likely to improve in future, according to to-day's edition of the Investors Chronicle.

An inquiry by the magazine into whether or not the City has been failing British industry says that profitability in the U.K. should now be on the upturn because both industry and government have become aware *of the need to adjust pricing* policies and tax liabilities for the effects of inflation.

But, it adds, current real rates of return have still proved insufficient to cover the sharply *increased levels of uncertainty* and risk attached to corporate investment and expansion in British industry, given increasingly sharp fluctuations both in the rate of inflation and in government policies.

As a result, the Investors Chronicle claims, industry has been unwilling to take advantage of available City money even at currently negative real interest rates. The magazine says that *the most striking finding of the* inquiry is that the City has, in fact, made available a great deal more money to industry than industry has been willing to take up.

IN BRIEF

Jobs lost

More than 200 factory workers *at H. and R. Johnsons*, Stoke-on-Trent, are to lose their jobs because of falling home and export orders. This brings redundancies within th pottery industry over the past few months to about 1,000.

● Aabout 60 workers, some 10 per cent. of the staff are to be made redundant by Beeston Boiler, Nottinghamshire. Other employees may be put on short-time working because of a fall in *orders from local authorities.*

Aston target date

The Aston Martin receiver and the consortium which is hoping to buy the specialist car company have set a target date of June 9 for exchanging contracts. The consortium, led by Mr. Peter Sprague, head of International *Semi-conductor* Corporation, of New York, has offered £1.05m. for the company.

Instant cement

High alumina cement loses substantial strength in most buildings more than a few years old —but the loss is not usually critical to safety. This is the main finding by the Building Research Establishment in a report prepared for the Environment Department published yesterday. "Much of the construction reviewed would conform with current requirements for safety in design," the report said.

Impact of VAT

The higher VAT rate on boats could cause a 40 per cent. drop in employment in the industry, the Ship and Boat Builders National Federation has told Mr. John Gilbert, Financial Secretary to the Treasury. The impact of the new rate could result in the loss of 9,000 jobs and hamper exports, Mr. Tom Webb, Federation director-general, said last night.

Plea for aid

A Receiver manager is to take over the hunning of Rosedale Industries, which has applied to the Government for at least £1m. backing. The company, which employs 700 workers at Bedwas and Crumlin, said it would have to close by the end of the month unless it received Government support.

HOME CONTRACTS

£1.5m. NCB work

HEAD WRIGHTSON PROCESS ENGINEERING has been awarded a contract worth about £1.5m. by the National Coal Board for the rationalisation of products at Bentley Colliery, near Doncaster. The project will incorporate conveying arrangements for bypassing run-of-mine coal to a 5,000 tonnes capacity stockpile, from where it can be reclaimed back into the run-of-mine storage bunker at up to 400 tonnes per hour. A *principal* feature will be the 2,000 tonnes capacity rapid loading bunker for power station fuel, *enabling four 32 tonnes MGR* wagons to be loaded simultaneously. The completed project is *scheduled to be in operation for* the summer of 1976.

*

J. E. LESSER (BUILDING SYSTEMS) has won contracts worth £1m., including £230,000 for a school extension and two nurseries for the London Borough of Newham.

*

N. G. BAILEY AND CO., Bradford, has been awarded a contract worth about £270,000 for the complete electrical engineering services at a new service block for the Guardian Royal Exchange Assurance Group at Lytham, Lancashire. The order was obtained through the main contractors, Bovis Construction.

*

JOHNSON-PROGRESS, Stoke-on-Trent, has received two contracts totalling £300,000. Both involve the use of the company's mechanised filter presses for dewatering *chemically conditioned* sewage sludge. Largest of the two contracts is for the Wargrave sewage *disposal* works of the Thames Water Authority. The other is for the Severn Trent Authority sewage disposal works, Lydney, Gloucestershire.

Oil completions in North Sea

BY ADRIAN HAMILTON

TWO NEW oil wells have been successfully completed in the North Sea. Several other wells are preparing to test encouraging shows of oil in the U.K. sector.

The AP Moeller consortium in *Denmark yesterday announced a* new potentially commercial oil discovery in the Danish sector of the North Sea, while the Phillips group in the U.K. said that it had successfully confirmed the extension of the Andrew field into its block 16/7, north-east of Aberdeen.

Other wells reported to have encountered oil shows include Conoco/NCB/Gulf's well on block 3/2, close to the Ninian Field; Zapata's well on 21/2, east of the Transworld oil discovery; and Monsanto/Deminex's latest well on block 15/21, south of Piper.

Phillips' well on the Andrew Field originally discovered by BP on the neighbouring block 16/28, appears to have borne out fairly well the original expectations both of the size of the field and the fact that it straddles the line between the two blocks.

Although not a large field by North Sea standards, the field is else to Phillips' nearby Maureen Feld to the east and could be tied into BP's Forties Field pipeline to the west.

"Unitisation" talks between BP and Phillips will have to be undertaken before any decision on development is taken

Members of the Phillips group involved in the latest find include Phillips Petroleum, with 35 per cent.; Petrofina, with 30 per cent.; ENI (Agip) with 17.88 per cent.; Century Power and Light with 8.6 per cent. and Oil Exploration (Holdings) with the remaining 8.52 per cent.

In the other announcement yesterday, the consortium developing the Danish sector of the North Sea—which includes Shell, Chevron and Texaco, and is headed by the Danish group, AP Moeller — declared that it had discovered oil on the so-called N structure in the southern portion of the sector.

North Sea Oil Review Page 32

Textile Institute shows surplus

THE TEXTILE Institute in Manchester, the professional body covering the industry, returned a small surplus in 1974 after three years of deficits, the annual report and accounts show.

The surplus—£4,026—compares with a deficit of £12,304 in 1973 but, in addition, a £23,000 overdraft has been paid off.

The new president of the Institute for 1975-76 is Mr. John Boulton, who succeeds Mr. C. Henniker-Heaton. Mr. Boulton is a former director of Courtaulds research division and has also been president of the Society of Dyers and Colourists.

Two new Euroloans for BSC

By Harold Bolter
Industrial Editor

THE EUROPEAN Commission yesterday announced the approval of two loans worth over £7m. to the British Steel Corporation, bringing the total loans made available to the Corporation up to £117.7m.

A £7m. loan will be used by the BSC to cover part of the cost of setting up a pilot plant for the production of formed coke at Normanby Park, Scunthorpe.

A second loan, of £337,300 has been granted by the Commission to help retrain and resettle steelworkers at Ebbw Vale in South Wales who are affected by the Corporation's current plant closure programme.

Significantly, this second loan was made available at very short notice. It is understood that an application was submitted as recently as April 7—after other approaches were made for loans *which have yet to be agreed.*

In all 3,300 jobs are being phased out at Ebbw Vale by 1977, and another 1,300 will go by 1979 if adequate supplies of steel are shown to be available from elsewhere.

The precise terms of yesterday's loans have still to be agreed with the BSC. Interest rates on Commission loans are currently running at about 9 per cent.

SDLP call to Rees on Loyalist plans

BY OUR OWN CORRESPONDENT BELFAST, May 29.

THE MAINLY Catholic Social Democratic and Labour Party today urged Mr. Merlyn Rees, Northern Ireland Secretary to clarify the British Government's position after this week's *disclosures of plans for a provisional* Loyalist Government and the formation of a single Loyalist army.

Mr. Gerry Fitt, SDLP leader, said the Secretary of State would have to take note of the latest developments and say now they were being regarded by the Government.

His party colleague, Mr. Ivan Cooper, warned that the setting-up of a provisional Government *would be a "suicidal step"*

The Northern Ireland Office had no comment to make to-day on either the announcement of plans for a provisional Government or the unifying of Ulster's leading Loyalist para-military groups.

Independent

The announcement of a Loyalist Army was made last night by Mr. Andy Tyrie, *supreme commander of the para*-military Ulster Defence Association, at a dinner in a Belfast hotel to commenorate the fall of the power-sharing Assembly a year ago, brought about largely by the Ulster Workers' Council strike.

The Loyalist army would include six of the main Loyalist para-military groups, dominated by the UDA, but excluding the once-outlawed Ulster Voluntary Force.

The Loyalist Army, which claims to have 20,000 men, believes that if the Convention breaks down and a state of "political limbo" existed, they would hold the country for a *month* while Loyalist political leaders negotiate an independent settlement with the British Government.

The plans *for* a Loyalist provisional Government have been outlined mainly by the Vanguard Convention member for Londonderry, Mr. Gleen Barr, also a leading light in the UDA.

He claims that the Ulster Loyalist Central Co-ordinating Committee, which has representatives *from the para-military* groups and the main Loyalist political parties, as well as the UWC — which organised last year's stoppage—has set up sub-committees to examine the working of Government departments such as education, agriculture and finance.

He also claims that at short notice the chairmen of the sub-committees could take over the positions as heads of the various *departments until independence* had been negotiated and a new long-term administration set up.

It is thought that the plans for a provisional Government are not yet quite as far advanced as Mr. Barr claims.

But discussions in the Ulster Loyalist Central Co-ordinating Committee will certainly continue with a view to co-ordinating their military and political tactics.

REFERENDUM

MRS. CASTLE AND THE BUSY BLONDE COMPARE BILLS

Scanlon writ against Jenkins

A WRIT has been issued against Mr. Roy Jenkins, Home Secretary, regarding remarks he is alleged to have made in a speech at Birmingham University on Tuesday by Mr. Hugh Scanlon, solicitors for the engineers' leader said last night.

The solicitors also asked the Daily Telegraph and London Broadcasting Company to announce there was no truth in the allegation in the speech which they published.

A spokesman for the solicitors said letters were being sent to Mr. Jenkins, the Daily Telegraph and LBC—but no writs were being issued against the newspaper or radio station "at this particular point in time."

The spokesman added: "We are expecting the Daily Telegraph and LBC to make a correction. Otherwise further action will be reserved.

"The statement should say that a writ has been issued against Mr. Jenkins claiming damages for defamation in respect of the remarks."

Food industry appeal

By John Edwards, Commodities Editor

An impressive number of leading names in the meat trade have come out in favour of staying in the Common Market, according to an advertisement appearing in yesterday's issue of Meat Trades Journal.

Into battle with shopping baskets

BY JOHN HUNT

THE PRO- and anti-Market Press conferences at the Waldorf Hotel bore a strange resemblance to a couple of suburban supermarkets yesterday as the nation's Press and television representatives gathered for their daily briefings on the latest state of the great referendum debate.

In the hall reserved for Britain In Europe, Mr. Roy Jenkins, the Home Secretary, peered uneasily from beside a huge basket of groceries.

Next door Mrs. Barbara Castle, the Social Services Secretary, appearing for the National Referendum Campaign, sat pertly beside an equally large basket of food.

The difference was that Mr. Jenkins's basket came from Oslo and was claimed to demonstrate the hideous financial penalties which the Norwegian housewives had to suffer for opting out of the Market. Mrs. Castle's basket contained goods purchased in Brussels and was supposed to show the even more ghastly fate that awaits us if we stay in.

Just to complete the show business atmosphere the pro-Marketeers produced a figure much beloved of the Press—an attractive mystery blonde. Her name was Vicki Crankshaw and she had visited Oslo to buy the goods.

Apart from this, any questions on why she particularly had been chosen for this task, were not encouraged. Eventually she volunteered that she was divorced, lived in Wimbledon and was secretary of a committee "which dealt with questions relevant to women."

Whatever her role, she seemed to have had a busy time in Oslo. There were no less than 21 items in her shopping basket including bacon (Oslo £1.58 per lb., London 93p), fish fingers (Oslo 69p, London 48p), and lavatory paper (Oslo 25½p, London 17½p).

According to Mrs. Crankshaw, the only cheaper items to be found in the whole of Oslo were jerseys and cough sweets. "As a working housewife, I know where I would go shopping," she declared.

The magical mystery tour of European shopping centres then continued with the National Referendum Campaign where a huge backdrop listed the prices that had been uncovered on an expedition to a supermarket in a Brussels suburb.

Mr. Neil Marten, the Tory MP who is chairman of the Campaign, announced that this was to be "the day of the girls." The trip to Brussels had been made by Mrs. Castle, and Mr. Marten's wife, Joan. This was seen by Mr. Marten as evidence of united Tory and Labour opposition to the Market.

"Presumably, the Liberals were not daft enough to take part!" snorted one sceptic in the audience.

The anti-Marketeers could not produce an attractive blonde but they had their own photogenic personality in the shape of seven-year-old Rachel, the great niece of Mrs. Castle. She had also taken part in the shopping expedition to compare the price of children's clothes in Marks and Spencer in London with similar items from the same company in Brussels. The result was hung on a placard around her neck: "Rachel's clothes: London £11.15. Brussels £17.33."

Mrs. Castle studiously rummaged through a pile of clothing purchased for Rachel. "This is an Acrilan cardigan. We couldn't get the same colour.

"She's wearing identical socks. You can compare them for yourselves if you wish."

On the food front, the British basket cost £4.24 and the Brussels one £6.92½. One item, cream crackers, led to a surprising amount of contention. One questioner wanted to know why these should be included when they were not a typical item in the European diet.

Mrs. Castle explained that she put them in because they were included in the Daily Mirror Shopping Clock. Immediately, a girl rose to announce that as the woman in charge of the Shopping Clock she wished to deny this. On her trips to Paris and Rome she never included cream crackers in her calculations.

● Later, Marks and Spencer issued an explanation of why prices in its Brussels store were 40 to 50 per cent. higher than at its British store. Ninety per cent. of the goods sold there were made in Britain and the difference was accounted for by import duty, carriage, insurance, freight, higher value added tax and higher operating costs mainly caused by salaries.

Corinne McCarthy

The contenders: Vicki Crankshaw (above), supported by Mr. Roy Jenkins and (right) Mrs. Barbara Castle with Rachel.

Trevor Humphries

Non-EEC imports under attack by car makers

THE CLAIM that jobs in the British motor industry have been lost to the EEC—widely used during the referendum campaign—was soundly rejected by the Society of Motor Manufacturers and Traders yesterday.

Instead, the society pinned the blame for rising U.K. car imports on Britain's bad strike record, and, in what is likely to be a controversial phrase, on imports from "non-EEC" countries. These countries, of course, include Japan, whose car exports are currently being looked at by the Government after an SMMT application under anti-dumping legislation.

The SMMT's views are aired in a statement reiterating the strong support it has given to the EEC over the last decade. This carefully refrains from singling out Japanese imports—which were defended in a blistering attack on the SMMT by Datsun last week.

But the statement makes it clear that the society has no particular qualms about the trading relationship with the EEC. This is in itself a rebuff for Datsun, which has repeatedly answered criticisms of its rising imports by pointing to Renault's high penetration of the U.K. market, and suggesting that restrictions on Japanese cars would help Britain's EEC competitors.

Datsun said yesterday that, in spite of the SMMT's figures, it still remained true that Japanese imports were lower than those from France, and much lower than from the EEC in general.

The SMMT's figures show that between 1972 and the present day imports from the EEC have risen from 17.32 per cent. of the U.K. market to 19.81 per cent. From non-EEC countries imports have more than doubled—from 6.19 per cent. in 1972 to 12.77 per cent. in the first four months of this year.

Within the non-EEC section there has been a significant move forward by Sweden and the East Europeans. But the largest increase has come from Japanese cars—from 3.20 per cent. of the market in 1972 to 9.34 per cent. this year.

The basis of the SMMT's pro-European case is that there would be difficulties in improving exports to the Community from the outside. "Heavy past and proposed investment by the motor industry would be put at risk," it says.

The society predicts similar difficulties for the components industry. This has increased its business in the EEC over the past two years, but, if Britain left, many companies would have to set up self-sufficient plants on the Continent "with consequent loss to the balance of trade and employment in Britain."

On the prospects for U.K. products in the EEC, the SMMT takes what many would regard as an extremely sanguine view. It foresees a market for over 500,000 British cars, and about 80,000 commerical vehicles by 1985—figures in line with those in the Ryder report on British Leyland, which have been strongly attacked in some quarters.

The longer-term benefits of a larger market and the opportunities that gives for improved production facilities could give the U.K. exports worth £1,400m. (at 1974 prices) by 1985, compared with £490m. in 1974, says the SMMT.

Europe 'wants a successful Britain'

By Our Industrial Staff

BRITAIN'S partners in the European Community want us to succeed for their own sakes, Mr. Ralph Bateman, president of the Confederation of British Industry, said yesterday.

"They are not capricious, vindictive people who would take pleasure in hurting us. Our success would be their success, our failure, their failure.

Cold War motives behind pro-Market campaign—Allaun

BY JOHN HUNT

AN ALLEGATION that "powerful warmongers with Cold War motives" are behind the pro-Common Market campaign was made yesterday by Mr. Frank Allaun, Labour MP for Salford East, and a leading Left-winger on the National Executive of the Labour Party.

Speaking to a meeting of shop stewards in Salford, he said it was barefaced hypocrisy for these people to talk about uniting Europe. What they really wanted was to harden the division on the Continent.

If the British people did not vote to come out of the Market, then the "provocative plan" of Lord Carrington, Mr. Heath and NATO Secretary-General, Dr. Joseph Luns, for an Anglo-French nuclear bombing force would be put into operation.

Mr. Allaun, who has argued for British defence cuts throughout his career, alleged that some of the "Euro-fanatics" in Brussels and London wanted an economic base for a military bloc.

The danger was not of war between Britain, France and Germany, but of war between East and West. "That is the threat to mankind we must avoid at all costs. By sharpening the conflict between East and West Europe, the splitters heighten the war danger."

According to Mr. Allaun, there were growing revelations of the underlying military motives behind the pro-Market movement. Mr. Thomas Braden, formerly of the U.S. Central Intelligence Agency, had admitted that the organisation had given £1.7m. to the pro-Market European Movement, he said.

Another prominent anti-Marketeer, Mr. Clive Jenkins, general secretary of the Association of Scientific Technical and Managerial Staffs, dwelt on the issue of foreign "guest workers" in the Community in a speech at Islington.

He said that six million such people from 15 countries had been spread around the Community and now found themselves unemployed or working short-time.

"These people have been made nomadic and gypsy-like to suit the book of the powerful and wealthy multi-national companies," he said.

Rippon query on Britain's £450m.

BY DAVID LASCELLES

WOULD BRITAIN have to pay back the £450m. it has received in loans, grants and support from the EEC, if it voted to leave? This question was asked at a London Press conference yesterday by Mr. Geoffrey Rippon.

"Denegotiation" could lead to ludicrous situations, he said. Supposing Britain could not settle the terms of repayments would it then refuse to withdraw until better terms had been agreed? And all this time the uncertainty would be terrible.

"We would create such disastrous confusion that our trade and investment would be violently disrupted and the pound would fall like a stone to the bottom of the well."

An EEC spokesman later said it was unlikely the EEC would ask for the return of loans for the steel industry. Speaking in London, he said "I would think it would be highly unlikely that having agreed to make the loans the EEC would then rescind its decision."

Mr. Rippon continued that even if denegotiation was satisfactorily achieved, new relationships like association or a free trade agreement were "just not on."

A pact on the lines of that concluded by Norway might contain a 12-month renunciation clause which would not give the security guranteed by full EEC membership. Norway was now subject to Community decisions over which it had no say.

Speaking in Liverpool, Mr. Reginald Maudling, Conservative "shadow" Foreign Secretary, said that to pull out of the Market would mean continuing lowering of living standards and increasing unemployment.

Tariffs would have to be imposed on imports and who would accept our exports without imposing bigger tarrifs?

CAMPAIGN NOTEBOOK BY MICHAEL DIXON

Beanz meanz blunders

HOW THE pro-Marketeers came to hear Barbara Castle was going shopping in Belgium is anyone's guess. But they heard it in time to fly Vicki Crankshaw (34, ash blonde, divorced mother-of-one) basket-in-hand to Oslo. And they got her back again before Mrs. Castle had even taken off for Brussels.

It nevertheless seems the Social Services Secretary's own fault that by the time she and great-neice Rachel climbed on to the anti-campaign's rostrum to show the Press a 15½p sliced brown loaf from inside the Common Market, Mrs. Crankshaw had long since brandished a 48p tin of baked beans from outside.

Mrs. Castle would have got her shopping bill in first had she followed the National Referendum Campaign's plan for her to meet the Press immediately on her return to London Airport on Wednesday.

But she dislikes holding Press conferences at airports. Apparently not knowing of her opponents' almost instant trip to a Norwegian cash-and-carry, she privately and amicably arranged with Mr. Enoch Powell to replace him as the antis' star turn yesterday morning.

This is by no means the first dog's dinner that the antis have made of their Press campaigning—which is a pity when the odds are, well, let's say 50-50 that defeat on June 5 will lead to accusations that the newspapers gave metres of coverage to the one side, and only feet to the other.

Editors organising the reporting of the debate point nervously from a comprehensive pile of advance texts of the pros' speeches on the one hand, to a couple of pre-releases from the antis on the other.

Not only that, but forewarnings from the antis of the whereabouts of a particular speaker at a particular time have been treated warily since Mr. Powell—again—on being asked about his scheduled appearance in Scotland, said he thought he was going to Northern Ireland.

Still, there should be no repetition of last Tuesday's problem when Peter Shore, among others, expecting to distribute advance texts of speeches through the Transport House Press office, was irritated to discover that the Transport House staff were enjoying their traditional day-after-bank-holiday.

The cause of the pros' greater efficiency is clear. Britain in Europe's relations with the media are looked after by seven full-time and six part-time staff. "The National Referendum Campaign's Press machine," says a harassed man called John Allen, "is me."

* * *

NEITHER of the opposing sides will be pleased with a bit of information just inserted into the argument by a politically independent organisation called the Don't Know Campaign, which has set itself up as champion of such people who think the Common Market issue should be decided not by referendum but by Parliament.

"We are asserting the voter's democratic right not be to involved," said the organisation's director, Farel Bradbury, a 43-year-old engineering consultant.

Over the bank holiday, he and fellow-members conducted an "in-the-street casual apathy survey" in various parts of London, Bristol, Monmouth, Stockport and the Herefordshire holiday area of Symonds Yat.

A total of about 500 passers-by were stopped and asked "two simple questions about the Common Market referendum" which were intended to find whether they were going to vote and whether they had given thought to the issue.

The result indicated a comforting 69 per cent. poll. But a somewhat startling 51 per cent. of the 500-strong sample did not even know what the letters EEC stand for.

Heath scorns higher jobs loss claim

BY RICHARD EVANS IN HULL

MR. EDWARD HEATH, the former Conservative leader, yesterday poured scorn on the claim of Mr. Michael Meacher, Mr. Wedgwood Benn's junior Minister at the Department of Industry, that the true loss of jobs, through EEC membership was 750,000.

"In the course of a week we appear to have lost another quarter million jobs. That seems very improbable to me," Mr. Heath declared icily, comparing the new figure with Mr. Benn's claim of 500,000 lost jobs.

There was "no-one in the Commons who has seen Mr. Meacher as a backbencher who has ever believed a figure he has put forward," Mr. Heath told university students here yesterday.

The inevitable conclusion of Mr. Benn's claim, he added, was the introduction of a siege economy.

In Mr. Heath's view, the inescapable message of Mr. Benn was that Britain should impose import controls in order to safeguard British jobs—the beginning of a siege economy.

Mr. Heath emphasised that it was withdrawal from Market membership that would lose Britain jobs and investment. The truth was that our exports to the EEC had increased greatly since entry but our products were unlikely to be able to scale successfully the tariff wall that would result from withdrawal.

Mr. Heath, who was heard attentively by an audience that threatened at first to give him a rough time, went on to defend passionately the projects, particularly the Channel Tunnel, that his Administration launched but which were killed off after Labour returned to power.

"We are sabotaging our future," he declared. "The decisions show a complete lack of determination by a Government that cannot look far enough ahead on projects which other nations take in their stride."

Wilson says issues are too big for use of personalities

THE PRIME MINISTER yesterday criticised the use of personalities in the Common Market referendum campaign. And he repeated that the freedom of his colleagues to argue *publicly among themselves* would end after the June 5 poll.

After that, normal collective responsibility, courtesy and comradeship would be restored, Mr. Wilson said in the BBC radio *programme* "Today."

Asked if he thought personalities had been brought in too much in the past few days, the Prime Minister said: "The issues are far too important, affecting generations ahead, for anyone to say that votes were affected by what Mr. X said about Mr. Y or vice-versa."

He mocked any suggestion that memories would linger on. "Memories don't last as long as you people in the media think." They would not affect the fundamental issues—those affecting *jobs, prices and Britain's standing* in the world.

Mr. Wilson thought that in 1971 the majority of people did not really go along with entry but now, if there was a "Yes" vote, "the argument will be over, there will be no more to nark about by anybody."

That was why he had the right to say that everybody should now get down to the job of making a success of not only dealing with our own economic problems but making a success of the Market.

Asked about the way the campaign had developed Mr. Wilson said: "I think it has developed very well except it *has gone on too long and I wish we could have got the Referendum* Bill through earlier and had a quick campaign as you have in a general election."

He thought most people had made up their minds how they would vote. It was now vitally necessary to get the maximum possible vote.

Mr. Wilson said that although he was not criticising anybody he feared that the two referendum organisations were "screaming so hard at one another that the cacophony will not merely deafen people but confuse them."

Thorpe talks of ICI warning

BY NICHOLAS COLCHESTER IN LIVERPOOL

MR. JEREMY THORPE, Liberal leader, said last night that Imperial Chemical Industries had made it clear that it would be diverting investment from Britain *to the other members of* the Community if we leave the Common Market.

He also said American companies, including Dexter, the paper manufacturers, had planned investment in this country solely on conditions that we remain in the EEC.

Speaking in Liverpool he said "Even some British firms, like ICI, have made it clear that their *planned investment in our country will be diverted to the remaining members of the Community if we leave. Think of* the jobs that will go by the board if that happens."

At the *same* rally Mr. Roy Jenkins, who was continuously heckled, stressed the political rather than the economic justifications for staying in Europe. He argued that our attempt to disentangle ourself could endanger the stability of Europe and the world.

"There is general agreement that the NATO alliance is under greater strain and danger than at any moment in the last 25 *years, and the American pillar* is inevitably somewhat weakened."

Mr. Jenkins urged that "30 years of peace cannot be thrown away for arguments based on *false statistics on food prices.*

To cries of "Traitors out," Mr. Jenkins explained that the referendum campaign must be fought on an all-party basis because there would not be separate piles of Yes and No votes for different parties on the day of the poll.

Those who talked of "international socialism," he argued, were ignoring the voices of socialists all over Europe.

Cabinet relaxes broadcast rules

FINANCIAL TIMES REPORTER

THE CABINET has agreed to *allow pro and anti-Market* Ministers to appear on the same TV and radio programmes in the last crucial days of the referendum campaign next week, it was confirmed yesterday.

The original Cabinet guidelines forbidding opposing Ministers to broadcast together will be relaxed from Sunday.

They were drawn up to prevent undue strain on the unity of the *Labour Party.*

But it was claimed that the broadcasting restrictions were preventing the Government's case from being adequately put on radio and TV.

The relaxation applies only to broadcasts and not to appearances on the same public platform by "pro" and "anti" Ministers.

A renewed effort is likely to be made to prevent either side *from* indulging in personality attacks which could prevent the restoration *of harmony* which Mr. Wilson is set on after June 5.

But there could be a public *showdown on Monday evening* when Mr Roy Jenkins and Mr. Anthony Wedgwood Benn are to debate the market on BBC-1's Panorama.

Their personal differences erupted on Tuesday when Mr. Jenkins said he was finding it increasingly difficult to take Mr. Benn seriously as an economics Minister.

Shore hits farm policy

By John Hunt

THE EEC Commission is now negotiating with the Soviet Union to sell off further stocks of meat held in storage as a result of the policy of intervention buying, according to Mr. Peter Shore, Secretary for Trade.

Making his claim when answering questions on a BBC radio 'phone-in yesterday, he declared: "It does draw attention to the whole absurdity of the Common Agricultural Policy."

Mr. Shore told another questioner that he thought there was just a possibility of large scale industrial action in Britain in protest at a decision to remain in the EEC. But he immediately qualified this by saying that he considered such action extremely unlikely.

Is the campaign shifting public opinion? Six correspondents are re-visiting areas they reported on two weeks ago. First: East London

Anger and despair

A FORTNIGHT ago East London appeared to be sinking under a wave of referendum apathy. From Spitalfields to Dagenham this predominantly working class area of some 1m. voters gave the impression that the only issue it was prepared to expatiate on was the supreme enchantment of its own West Ham football team.

A return to the scene of the crime, however, establishes that *what East London does not feel* to-day, East London may well feel to-morrow. There may still be plenty of apathy in the sense understood by those party activists who would, no doubt, *be campaigning for a free trade* area with the moon in the absence of anything better to absorb their energies. But there is certainly a lot more interest, feeling and passion about the *referendum, whether or not it is* eventually expressed in the polling booths next Thursday.

This change of mood has coincided with the change of gear in the general campaign. A few weeks ago one found a lot of little local campaigners at work who, in sum, were barely communicating with the periphery of the electorate. Now the national campaign is in full torrent, and—pace the hard working locals—their own efforts are somewhat overshadowed by the barrage of television debates on those channels which are not actually on strike.

But with the arrival of the "It's *your referendum line to* Enoch Callaghan" programmes comes a new factor which may not be quite what the campaigners on either side either bargained for or regard as entirely desirable. The new mood is certainly one of greater interest. But it is interlarded with something else: irritation.

After what must by now be hundreds of conversations with people about the referendum I find one recurring theme. East Londoners are genuinely irritated by what they regard—to put it politely—as the lack of objectivity with which the campaign issues are being discussed. It may be true that one can hardly expect total objectivity when such an emotive issue as the EEC is thrown wide open. Nevertheless, people who genuinely want to know more about the issues are tending to throw up their hands in despair at the open slanging matches being conducted by members of the Cabinet over, for example, the effect of the EEC on jobs or the steel industry.

Since the referendum is a unique event in which many traditional party allegiances do not apply, the ambivalence, ambiguity and plain ambidexterity of our leaders is sometimes having a startling effect on their flock. For many people the referendum has become the best focal point of indecision since Hamlet first decided he couldn't make up his mind. A couple of weeks ago the voters of Limehouse were told by Mr. David Marquand, MP, sitting alongside Mr. Eric Heffer, MP: "I take the view (on membership of the *EEC) which Eric used to take* before he changed his mind. In fact I've changed my mind. In fact Eric was one of the

Newham in Europe in action: two weeks ago the group admitted the local line-up to be two-to-one against EEC membership. Now it says, a poll found 41 per cent. in favour.

people who helped persuade me to change my mind." Now they read and hear daily that membership of the EEC has or hasn't/will or will not have this or that effect, and it is a case of "who shall decide, when doctors disagree?"

We know the answer, in this case, to Pope's conundrum. It is the people who will decide, and it is because the doctors of the ruling party disagree that we are having the referendum in the first place. The resounding message from East London, however, is that the people don't particularly want to decide. For irritation with the way the issues are being discussed has brought to the surface a more basic discontent: irritation with the whole idea of the referendum.

In other words, coming at a time when there is so much speculation about the future of democracy as we know it—rival parties competing for the people's vote—the referendum campaign is providing a strange vote of confidence in the system we already have.

Certainly, one finds annoyance at what is seen as the cynicism of the Government in consulting the country when we are already in the EEC. Yet the real truth expressed by most of the people I have talked to is that they don't want the referendum at all. The whole procedure is seen as the abrogation by Parliament of the job for which it is elected—namely to get on with the job *of governing. People are almost* unanimous in believing that a referendum three years ago would have gone against EEC entry, but they seem rather glad that there wasn't one.

So far from seeing this as the *precedent for referenda* on a whole series of issues, the man on the West Ham omnibus seems to approve—*however cynically*—of the system whereby his democratically elected representatives somehow or other stumbled into the EEC. What he is more concerned about is the general *feeling of economic crisis* in Britain which will still be with us what ever happens on June 5. In this context, he feels that his elected representatives should for some time now have been devoting more energy to solving the country's economic problems and considerably less in the referendum.

I say "the man on the West Ham omnibus" advisedly. A fortnight ago the point was made that the referendum issue in East London was a closer thing than the national polls suggested, and that the *essence of the campaign* was likely to be people's "gut reaction." One can now make the gut reaction point even more strongly. The effect of the rival claims from national campaigners threatens to be self-cancelling. Like the remnants of some shattered algebraic equation, the people are being left with a much simpler view of Europe—their gut view.

Meanwhile in this strong working class area, representative of the key "marginal" districts where the referendum *could be decided*, I detect a definite shift of allegiance towards the pro-Market campaign. A fortnight ago even the Newham in Europe Group found that the line-up was two to one *against* staying in the EEC. Now, with less people inclined to swallow the line that the EEC is entirely responsible for our one-and-only rate of inflation, a random poll by the Newham in Europe Group *has just produced a shift to 43* per cent. against staying in and 41 per cent. in favour, with 16 per cent. "don't knows."

My own straw poll of 20 people living in a tower block of council *houses in Hackney produced* 56 per cent. in favour of staying in, 24 per cent. "don't know" and only 20 per cent. definitely against. Your correspondent's *conclusion is that most of the men and women on that East* London omnibus are saying: "Well, we're in. I wasn't sure about going in, and haven't been helped by the lies being told on both sides in making up my mind *about staying in. I don't know* why, but I feel we ought to stay in. By why the hell we have to go through all this palaver. . . ."

William Keegan

WALKER CUP GOLF

BY BEN WRIGHT

Britain and Ireland lose gracefully after U.S. take vital foursome

ST. ANDREWS, May 29.

THE ABILITY of Great Britain and Ireland's amateur golfers to lose gracefully, albeit narrowly, was further enhanced on this miserably cold day when the 25th Walker Cup match was lost in late afternoon, when the Americans won the two singles matches in the second series they required to retain the cup. They finished 15½-8½ winners.

But the damage was really done before lunch in the vital second foursome, in which the Scots, Charlie Green and Hugh Stuart, snatched defeat from the jaws of victory against the U.S. heavyweights, George Burns and moustachioed Craig Stadler, on the final green of a palpitating encounter.

At this stage, the first British pair, Irishman Pat Mulcare and Scotsman Ian Hutcheon, had won the top match from the American Amateur Champion Jerry Pate and a former British champion, Dick Siderowf, also on the last green.

In the third match, the two slim Englishmen who had been so effective together in the top foursome yesterday, Mark James and Richard Eyles, had crushed the veteran Bill Campbell and his distinctly sub-standard partner, John Grace, by 5 and 3.

The last match had got away from our side when Jay Haas and Curtis Strange made a fast start, winning three of the first four holes against Peter Hedges and John Davies.

The Americans triumphed by 3 and 2 in this match, so everything depended on Green and Stuart to provide us with the kind of springboard from which we leaped to victory in 1971 on this same Old Course—only our second victory.

It was a thrilling encounter, in that fortunes swayed either way, the Americans going two up early in the match and the British going one up at the vital stage, when Stadler drove out of bounds over the wall to the right of the long 14th.

Stadler's driving had been wayward for much of the match, but he fully made up for these lapses with some brilliant putting in the crisis that confronted the American team.

Three putts

The match was effectively lost and won on the 16th green when Green, distinctly suspect in this department, left his putt for a birdie five feet short and Stuart missed the next to lose the hole to the Americans' par 4.

Green redeemed himself completely with a gloriously drawn second shot around the pot bunker at the 17th hole, only 20 feet from the cup and pin high. After a colossal drive from Burns, almost 100 yards ahead of Stuart, Stadler played the most horrible little poke of a stroke, with a limited backswing induced by a desperate attack of nerves.

The ball came to rest on the right-hand corner of the green, some 25 yards from the hole—and this with only a short iron. Burns putted boldly, but ill-advisedly, 10 feet past; and then Stadler revealed his mettle by calmly rolling in the putt for a vital half.

At the last hole, Burns played a master stroke only four feet right of the hole, and again Stadler rose to the occasion by holing for a birdie and victory that made Great Britain and Ireland's position almost hopeless.

The morning foursomes had been tied at two-all, the match score stood at 10-6 to the Americans, who thus needed only two afternoon victories to retain the precious trophy, and 2½ points for outright victory.

The two vital points were contributed by Gary Koch, who was always in command of his match, the third single against the gallant slip of a lad from Manchester, James, who was beaten by 5 and 4 as he suffered the almost inevitable reaction after three famous victories.

By contrast, Pate completed a miserable match in the top single by losing by 3 and 2 to Hutcheon, and so the American champion had lost all his four games, two in the company of Siderowf.

The last nail in the home coffin was driven by Strange, who sprinted away from Mulcare in the second single with a glorious burst from the seventh hole onwards of 3, 3, 3, 4, 3. The Irishman fought valiantly against such a surge and lost only two of those holes. He even hit back to take the 12th hole and be only one down, but the pace began to tell.

He lost the 13th and then drove out of bounds at the 14th, virtually to seal his own fate, as he was beaten by 4 and 3 on losing the 15th hole.

Academic

The matches remaining are now only of academic interest, but as I speak Davies is leading Burns by two holes in the fourth match with three to play, Grace has just gone one up on Green in the fifth at the 14th hole—the first time he has led—and Stadler maintains a one-hole advantage over the Scot George Macgregor with five holes remaining.

In the seventh match, Eyles, who came apart so badly in his singles match yesterday in the closing stages, is in danger of doing so again, since his early lead of two holes over Campbell has just been forfeited and he also has gone down for the first time—by one hole—at the 12th.

In the final encounter, Vinney Giles, who has had an outstanding match and is unbeaten so far, is all square with Hedges with seven to play.

APPOINTMENTS

New chief executive at Associated Engineering

Mr. John Collyear is to become group chief executive of ASSOCIATED ENGINEERING GROUP from October 1. He will succeed Mr. G. Collin Hepworth who will have completed 40 years with the group next year and is retiring from the position of chief executive. Following the recent resignation of the managing director of the group's South African subsidiary, Mr. Hepworth has offered to undertake the posts of chairman and chief executive of Associated Engineering (S.A.). He will also remain a director of the parent company. Mr. Collyear continues as chairman and managing director of the Glacier Metal Company. He is also managing director of AE's bearings division and has been a director of Associated Engineering since 1973.

★

Mr. W. A. McPhail has retired from the chairmanship of BARKER AND DOBSON. He will be succeeded as acting chairman by Professor Geoffrey Clarkson, a director of the company.

★

Mr. T. Hutchinson has become managing director of MILSHAW HYDRAULICS, succeeding Mr. W. Wallace, who has resigned to take up a position in Liberia. Mr. M. Mattok joins the Board as financial director. The company is a member of the Butterfield-Harvey Group.

★

Mr. J. L. Logue has taken over as chairman and chief executive of the BEESTON BOILER COMPANY in succession to Mr. J. K. Smith who remains on the Board. Mr. P. M. Tomkins has been made a director of manufacturing, engineering and technical services.

★

Mr. H. Vanson has been appointed managing director and chief executive of MOSS BROS. Mr. M. Silverman has become deputy managing director and Mr. N. A. Highton has joined the Board as finance director.

★

Because of pressure of his other commitments, Sir Charles G. Alexander is to relinquish the chairmanship and resign from the Board of HULL BLYTH AND CO. from to-morrow. Mr. Francis Plumbe has been elected to the Board and has been invited to succeed Sir Charles as chairman from June 1.

★

Mr. Charles E. Weltz, Jr., has been named managing director, GENERAL MOTORS LIMITED. He has been chief engineer, automotive components for General Motors Overseas Corporation in Detroit, since September, 1973.

★

Following the resignation of Lord Latymer after 27 years as chairman of Committee in London of the OTTOMAN BANK Mr. M. J. Robinson Smith has been elected to succeed him. Lord Latymer remains a member of committee.

★

Mr. Gordon E. Simpson has been appointed a director of THE FIRST SCOTTISH AMERICAN TRUST COMPANY and the NORTHERN AMERICAN TRUST COMPANY.

★

Mr. Eddie Perkins has been appointed a director of BIBBY AND BARON CARTONS, a subsidiary of Bibby and Baron (Holdings).

★

Mr. J. F. Milne, assistant general secretary of the Scottish Trades Union Congress, and Mr. J. W. Atwell, retired chairman of the engineering division of the Weir Group, have been appointed non executive directors of GOVAN SHIPBUILDERS. They succeed Mr. Ronald Lyon and Mr. A. G. Spyrou, who resigned earlier this year.

★

Mr. E. A. Shipley, at present Bridon's group technical controller (steel) of BRIDON, has been appointed technical manager of Haggie Rand, an associate company in South Africa, from June 1. He is to become a director of Haggie Steel Ropes, Haggie Rand Wire and Haggie Gourock (Pty.). Mr. Shipley will be resigning from the main Board of Bridon from to-morrow.

★

Mr. Horace R. Hawley has retired as managing director of HAMMONDS SAUCE COMPANY after 30 years with the company. He continues as chairman of the group.

★

Mr. John Clay, currently deputy chairman of JOHNSON AND FIRTH BROWN, is to become chairman. Mr. Peter Johnson, who became chairman for a temporary period following the resignation of Mr. Oliver Jessel, will continue as deputy chairman.

Following the sale of the Jessel Securities' stake in JFB to a number of leading institutions, JFB has been reorganised into three principal industrial divisions, each represented at main Board level by a divisional chairman.

Dr. D. Hardwick is chairman of the steel division; Mr. T. G. Kirkbride, chairman of the road and wire division; and Mr. F. A. Gardner, chairman of the engineering division. JFB's small property interests continue under the chairmanship of Mr. C. R. Benzecry; Mr. P. H. Ling remains director and general manager and Mr. R. G. Hardie continues as financial director.

Mr. Jessel, Mr. M. A. Bell, Mr. Mr. M. V. St. Giles and Mr. D. Prescott have resigned from the Board.

★

Mr. T. Knowles, company secretary of HTV, has been appointed to the Board as financial director.

★

Mr. Kai Fagerström, at present manager of Nordic Bank in London, has been appointed assistant general manager (foreign) of the international division of KANSALLIS-OSAKE-PANKKI in Finland from August 1.

★

Mr. Frank Strickland is to become general manager of the SUNDERLAND AND SHIELDS BUILDING SOCIETY on the retirement of Mr. T. W. Stafford later this year.

★

Mr. F. A. Collinson has been appointed secretary of PRICE AND PIERCE (HOLDING COMPANY) from June 1 on the retirement of Mr. Peter Hooper. Mr. Collinson continues as group administrative officer and also becomes a director of Price and Pierce Group Services and Price and Pierce Group Pension Trust.

★

Mr. Michael Cooke, financial director of Brownhills Sheet Metal and Engineering Company, has been appointed group financial director by the parent concern, ROBERT R. STOCKFIS (MANCHESTER).

LABOUR NEWS

Tribunal says BR can manage 27.5% award if labour force is reduced

BY OUR LABOUR STAFF

BASIC PAY RISES of 27.5 per cent., coupled with the introduction of a £36.70 guaranteed weekly minimum wage, formed the basis yesterday of the Railway Staff National Tribunal's arbitration report on the wages of 190,000 railwaymen.

This amounted to a significant increase on British Rail's original 21.2 per cent. offer which was based on a strict reading of the Social Contract wage guidelines. But the arbitration tribunal, headed by Dr. W. E. J. McCarthy of Nuffield College, Oxford, concluded that the guidelines did not preclude such an offer.

The main findings of the tribunal, on which Dr. McCarthy was accompanied by Mr. George Doughty, the unions' nominee who is a former general secretary of the technical and supervisory section of the Amalgamated Union of Engineering Workers, and Mr. J. Grange Moore, an employer nominated by British Rail, were:

- British Rail's 21.2 per cent. offer should be raised to 27.5 per cent. on basic pay rates and should be paid across the board as a percentage rise giving a new weekly bottom rate of £32.70.
- A minimum earnings level—a form of guaranteed week—should be introduced at about £4 above the bottom rate—at £36.70.
- There should not be any threshold-style arrangements giving further cost of living rises during the coming year.
- British Rail should seek agreement with the unions on improvements in productivity and efficiency. These could include a system of monitored recruitment and establishment auditing designed to match manpower replacement with future manpower needs.
- The tribunal also proposed other reforms plus equal pay for women and the implementation of recommendations left over from last year's railway pay settlement.

The Tribunal estimates that its proposed 27.5 basic rate rises add £25.9m. to the £51m. annual cost of BR's original offer, to which should be added a further £600,000 for the minimum earnings level and £75,000 for equal pay.

The total effect of all this would be to raise the value of BR's offer from 21.2 per cent. to 27.7 per cent.—an increase of 6.5 per cent., bringing the new money which railwaymen would receive on top of thresholds already being paid, to 19 per cent.

"But we do not take the view that this should be the cost of our award if proper recruitment and replacement policies are

Dr. William E. J. McCarthy, chairman of the Railway Staff National Tribunal announcing its award yesterday.

followed. Substantial savings should be possible," declare the arbitrators.

The tribunal considered that British Rail would have been willing to adopt a more relaxed view of the social contract if its own financial position had been less grave. "We can readily see why they should take this attitude. A large part of their losses last year can be said to have arisen out of the need to afford a substantially increased wage bill," says the arbitors.

BR had stressed in its evidence to the tribunal that manpower economy was bound to be a continuing feature of its policy and stressed the co-operation it had received in this area from the unions in the past meant it had been able to reduce the size of its post-war labour force by almost two-thirds.

"We consider that there is room for further action on these lines and to the extent that it is so it should not be assumed that any increase we recommend in BR's offer is bound to require a corresponding increase in subsidies and/or charges," declares the tribunal.

BR figures showed that in 1974 there was an overall annual wastage rate of 20 per cent. although this varied substantially between grades.

"These figures indicate that, without recreating inefficient and self-defeating labour shortages, there is scope for a planned reduction of the labour force that could significantly reduce the impact effect of any improved award.

"What is required is agreement on an effective system of monitored recruitment and establishment auditing. This would be designed to prevent the more or less automatic replacement of manpower without reference to future manpower needs."

BR should also introduce other reforms, including a more systematic study of job requirements and job boundaries.

In the context of such initiatives and policies the arbitraters felt it would not be "unreasonable" to recommend a significant improvement in the present offer.

This should be seen in the context of pay movements outside the railway industry, together with the recent increase in the Retail Price Index since the Board's offer (this indicates a movement of 21.7 per cent. over the period mid-April 1974-mid-April 1975).

"What we are proposing represents an increase of 5.8 per cent. more than the relevant movement in prices. We do not suggest that an improvement of this size (that is 6.3 per cent. in "new money" terms) can be met without some adjustment of planned charges and/or subsidies.

"But bearing in mind the fact that labour costs are about 70 per cent. of total costs in this industry we consider that, given union co-operation and the vigorous implementation of the proposals made in this report and advanced by the parties at our hearing, it ought to be possible to effect economies that make this additional burden manageable.

"An increase of this order would be within the terms of the social contract, as it has been interpreted and applied with apparent Government approval in many other public sector settlements.

"It would also enable railwaymen to keep broadly in pace with general pay movements in the public sector. This seems to us the appropriate comparison.

"We consider that if the unions wish to use arguments based on external settlements it is more appropriate for them to quote general pay movements rather than particular settlements which may vary significantly from time to time because of particular factors."

Summarising its analysis of the formal terms of the contract the tribunal says: "While it does not rule out an improvement in the Board's offer it provides very little guidance as to what it ought to be."

"Unfortunately, there are no official figures relating to particular settlements which would enable us to construct an index for these purposes. In the circumstances, we have decided that all we could do was to investigate further the details of actual settlements quoted to us by the parties."

The unions had provided examples of 31 settlements above the limits set by the Board. On average, they revealed increases which were about 13 per cent. in advance of the relevant price movement for the previous 12 months.

The figure was somewhat lower for public sector settlements—that is about 11 per cent.—which after allowance was made for the attainment of the TUC's low pay and equal pay targets, were an average of 7 per cent above the rise in the cost of living. Insufficient information was available for a similar exercise to be carried out on private sector deals.

Pre-calculated on a weighted basis to take into account the number of workers in each bargaining group—the 7 per cent. fell to 5 per cent.

"We consider that relatively few annual settlements have been as restrictive as the Board's offer to the unions in this reference.

"Even where there has been no question of making progress towards the TUC's low pay and equal pay targets, annual settlement levels have been significantly above those indicated by retail price movements." Suggesting possible reasons for this, the report says some negotiators have been able to justify improved offers by reference to their impact on labour costs, or changes in pay structures, others simply took a more relaxed view of what the contract implies in respect of living standards while some negotiators "seem to have ignored the contract altogether."

Employment shift from manufacturing forecast

BY CHRISTIAN TYLER, LABOUR STAFF

A SIGNIFICANT decline in employment on the railways by 1981 and a further general shift away from manufacturing industry and into the public services, are forecast in a Department of Employment study published to-day.

Total numbers employed on the railways are expected to drop from 220,000 in 1973 to 180,000 by 1981—equivalent to an annual 2.6 per cent. decline over the 10 years, 1971-81, covered by the study.

The railways' forecast decline will be second only to that of the mining industry (3.7 per cent. a year) and domestic service (3.9 per cent.). The authors of the survey, which is published in the DE Gazette, estimate that there will be only 270,000 mining employees in 1981, compared with 360,000 in 1973.

In broad terms, the study, described as "a possible pattern of employment," points to significant growth in the public services, mainly at the expense of manufacturing industry.

Constant

Manufacturing is projected to account for 31 per cent. of all employed by 1981, compared with 34 per cent. in 1971 and 36 per cent. in 1961. The equivalent figures for the public services are 21 per cent., 17 and 14 per cent., with "other services" constant at around 35 per cent.

The authors make several caveats, chief of which are that their sectoral analysis is based on a 3 per cent. growth in GDP and that they are assuming an unemployment rate in 1981 of only 2 per cent.

On these assumptions they estimate that the numbers employed will rise from just under 24m. in 1973 to 25m. in 1981, largely due to recruitment of married women.

The study, they say, may not take sufficient account of the possible repercussions of the oil crisis. It was also completed before the Budget announcement of cuts in public expenditure.

In both numerical and percentage terms, education and health are marked for outstanding employment growth. Insurance, banking and finance are expected to continue to swell, but employment in most heavy industry, with the exception of paper and printing and chemicals, will decline. Engineering, vehicle and metal goods show little change, and construction a small improvement.

- The Department's monthly strike figures show that working days lost due to industrial action totalled just over 2m. from January to April, involving 332,000 workers.

This compares with over 7m. days, involving 632,000 workers, in the first four months of last year. The bulk of last year's figure is due to the miners' strike, which alone accounted for 5.5m. days.

'Near-revolution' warning

INDUSTRY must gear itself to worker-participation or face near-revolution, Mr. Jack Peel, the Common Market's director of industrial relations, said at an Industrial Society conference in London yesterday.

Mr. Peel, 53, a former general secretary of the National Union of Dyers and Bleachers, declared: "Unless we work down this participation track, I see near-revolution in industrial relations."

The EEC would shortly be bringing out a Green Paper setting out the many different forms worker-participation could take. "We are showing you the way out. It is up to you to find the door."

Every time he returned to Britain he was "shattered by the industrial tension here," he added. "We should restore faith in the arbitration process."

CBI to tell Minister of 'extreme anger' over Employment Bill

BY JOHN ELLIOTT, LABOUR EDITOR

THE CBI is to step up its opposition to the Government's Employment Protection Bill to-day when it meets Mr. Albert Booth, Minister of State for Employment, and tells him that it is "extremely angry" that Ministers have taken so little notice of its complaints about the legislation.

The main target for the CBI's wrath is Mr. Michael Foot, the Employment Secretary, who has angered employers by, in their opinion, refusing to take part in proper consultation on his legislative proposals which have been mainly influenced by the TUC.

The CBI considers that assurances and promises made by Ministers in the Commons on the bill, now passing through its parliamentary stages, have not been honoured.

The last time the CBI met Mr. Foot was on December 2 before his plans, published in a consultative document just before the last General Election, had been produced in the form of a Bill.

To-day a CBI delegation led by Mr. Campbell Adamson, director general, will tell Mr. Booth—in the absence of Mr. Foot who is abroad on holiday—that the Bill is even more unfairly biased than the consultative document.

The employers' representatives will complain that this is despite their original detailed objections to the proposals, which amount to a legislative intervention in collective bargaining of a type they do not approve.

The high cost to industry has been increased, according to the CBI, and—while there have been one or two concessions to employers' points of view—further changes favoured by the TUC have cancelled out any gains for employers.

Employers are specially annoyed that proposals for statutory guaranteed week payments have been amended so that more workers will qualify. They consider this could encourage strikes because of the limited effect they have on other workers, who will now receive guaranteed week payments when laid off.

The CBI also consider as "unjust and impractical" a new provision that an employer must pay a worker guaranteed payments, irrespective of whether he qualifies for them or not, unless he has been given two days' notice that payments are not due. This, the CBI will tell Mr. Booth, will mean that large employers will be caught out through oversight while small businesses will not be geared to protect themselves.

In adidtion, the CBI will also complain that it has not been consulted about Government proposals, announced in the Budget, for State employment subsidies to be paid to companies to avoid redundancies and that there has been no sign of concessions for small businesses.

ASTMS says 'No' to 21% ICI pay offer

BY Lorelies Olslager, Labour Staff

THE ASSOCIATION of Scientific, Technical and Managerial Staff, representing some 7,000 white-collar employees at Imperial Chemical Industries, has rejected a 21 per cent. pay offer by the company in reply to a 45 to 50 per cent. claim.

This followed the rejection by manual workers' unions of a 23 to 25 per cent. offer earlier this week. The company will hold further talks with ASTMS next month, when the union is looking for a "significantly improved offer."

ASTMS, which only recently became the first union to win negotiating rights for ICI staff, has negotiating rights for some 7,000 scientific and technical staff, but the outcome of its pay negotiations can be expected to have some bearing on the pay of all the 20,000 ICI white-collar workers.

GEC in new talks on engineers' pay to-day

BY OUR LABOUR STAFF

FRESH TALKS will be held to-day on the dispute between General Electric Company and some 1,200 engineers, which for the past nine weeks has stopped all installation of GEC telephone exchanges for the Post Office.

The company locked out the engineers and laid off some 4,000 manual workers after the men's union, the Association of Scientific, Technical and Managerial Staff, ordered a work-to-rule in support of a pay claim.

The claim was for a rise in excess of 40 per cent. to give parity with Post Office engineers engaged on similar work.

A few weeks ago, the company improved its initial offer of about 15 per cent. to over 20 per cent., which would have been in line with the rise in the cost of living.

This was rejected in a ballot because it left GEC engineers still between £10 and £60 a month short of Post Office earnings.

If the company does not improve the offer to-day, ASTMS plans further sanctions next week to press the claim for parity, union officials said.

IN BRIEF

Call for pay pact

A call for unions and employers to draw up an immediate agreement on wages and prices came yesterday from Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff (APEX), writing in his union journal.

Strike to go on

A fortnight-old pay strike by 2,000 men at the Westland Helicopter factory at Yeovil, Somerset, is to continue, following a mass meeting which voted by an overwhelming majority to stay out. The men do not plan to meet again for a fortnight.

Docks standstill

The Port of Manchester's terminal docks at Salford came to a standstill when 800 dockers staged another in a series of lightning strikes over pay. Talks on the dispute will be held to-day.

FINANCIAL TIMES REPORT

Friday May 30 1975

REGIONAL DEVELOPMENT IN GERMANY

In spite of West Germany's high average level of prosperity, the country's wealth is by no means evenly distributed. This Report considers the needs of the main areas concerned, including West Berlin, and outlines the type of aid and incentives that are available and the way they are administered.

Fair shares for all

By JONATHAN CARR

THE IMAGE West Germany presents to the world is one of wealth and success possessed in such measure as to be almost a political embarrassment. The Chancellor and his Finance Minister have frequently found it necessary to explain to less fortunate European partners that the Germans are neither the "paymasters of Europe" nor are their resources inexhaustible. And when it came to the setting up of a European Community Regional Fund, Bonn's insistence on a smaller sum than first proposed, concentrated only on areas most in need, seemed to many to reflect selfishness rather than caution. West Germany, it was said, was well off in any case and thus would be a net contributor to the fund. It surely had every reason for keeping the total to be paid out as small as it decently could. If this could be justified as intelligent national policy, it hardly qualified as a grand gesture of European solidarity.

Negative

This negative reaction is understandable. But it might have lost at least some of its force had it been recognised not only the extent to which West Germany has regional problems of its own but also how much its own experience had taught it to build up a national system of aid in which the closest possible control was kept on the use of regional funds. The "watering can principle"—spraying out assistance over a wide area in the hope that here and there one or two fair economic flowers would bloom—had been tried in the Federal Republic and found wanting. All the more reason for resistance, therefore, to the establishment of such a system at the European level.

The regional difficulties in the Federal Republic are not as obvious as are those of, for example, Southern Italy—and indeed many travellers may pass right through the country and out the other side without becoming aware of them. To arrive by ship in Hamburg, take a plane to, say, Düsseldorf, in the Ruhr area, then on by autobahn to Frankfurt and finally by train to the far south and Munich, is to pass from one well-stocked soundly organised centre of "*Wirtschaftswunder*" to another. In between, the agricultural land looks well tended, the farm buildings in good repair.

Anyone who travels on this particular, north-west-south-east arc, and many do since most major centres of population and business lie along it, could be forgiven for believing that there are no major flaws at all. He would certainly be surprised to learn that more than one third of the West German population lives in areas held to require special regional development assistance—and that some of these areas are on the very doorstep of the boom cities he has visited. Those in those areas can hardly be described as living in dire poverty. The famed system of West German social security applies to them just as much as to any other citizen. But their job opportunities are less than elsewhere, their living standards are often lower, the social infrastructure is less well developed. It would be out of the question for either federal or provincial State governments to leave these areas to the mercy of the free play of market forces. And for years now both have intervened on a large scale to help those hard hit, whether because they live in under-industrialised areas, or in areas where a key industry is in decline—or simply close to the eastern border.

Hamburg, of course, is one of the wealthiest cities in the world—and it shows. But travel just a little north and you strike the *Land* of Schleswig Holstein, the Northernmost of West Germany's provincial states and one long regarded as something of a poor relation by much of the rest of the country. Not only is it situated on the very fringe of the Federal Republic, but the division of Europe into the EEC and EFTA meant that Schleswig Holstein could hardly fulfil what would seem to be its preordained role as a bridge between Scandinavia and the main European continent. High hopes were placed on the enlargement of the EEC. Abolition of tariff and non-tariff barriers would bring a substantial increase in trade, and Schleswig Holstein would be well placed indeed as a jumping off point for Common Market firms seeking to tap the northern market. This hope still holds good—but in no way invalidates the need for special incentives to attract industrial investment until the dream of a "crossroads of the north" becomes a reality. Nor does it mean the State can avoid a heavy investment in social infrastructure as it changes its character from an area primarily agricultural into one with an extensive industrial base. Both problems—industrial incentives and infrastructure—have to be attacked together. And this would not prove possible on an adequate scale, were it not for regional development programme in which the Federal Government in Bonn was prepared to put up a substantial financial contribution.

Different

Travel south-west to Düsseldorf and the Ruhr area and the problems are quite different—but no less demanding of Federal as well as provincial state money if they are to be mastered.

The area still has a reputation as the industrial heart of Germany yet, far inland, it is not the ideal location for many businesses needing ready outlets to overseas markets. This point has become more important with the decline of the huge coal industry and the need to create job opportunities through diversification. True, the oil crisis and the Federal Government's stress on making the best use possible of home fuel resources has given coal a new lease of life. But the industry will hardly expand once more to become the employer of yesteryear. Much the same goes for the Saarland, the smallest of the states (excluding the city states), tucked away on the borders of France and Luxembourg and in the past heavily dependent on its coal and steel industry. This excessive dependence has long been recognised and in many ways the Saarland is a classic case of a region which, through its own and federal efforts, diversified itself if not out of trouble at least into a more secure existence. It now has a good spread of industry—including vehicle construction, electronics, optical instruments, textiles and so on—a result not possible without heavy injections of Federal and State funds.

Turn to the far south—Bavaria—and one can encounter some of the most acute regional development problems, as well as some of the most effective steps towards a solution. For one thing the State was long heavily dependent on agriculture and badly needed a sound industrialisation policy. At the same time the lower and middle Alpine regions of the State—so admired by tourists who contribute considerably to Bavaria's income—owe much to the balanced summer and winter pasturing organised by small farmers.

Too strong a drift of population into the towns would mean the rapid deterioration of much of the Alpine region into a wilderness. On the other hand, the areas concerned did not lend themselves well to that amalgamation into bigger farming units and economies of scale so beloved by the Brussels Commission.

The answer in Bavaria has lain in tempting growth industries to the neighbourhood of the big towns such as Munich, Augsburg and Nuremberg, while supporting a sufficient scattering of enterprises beyond these centres to enable small farmers to work part-time in industry as well as on their farms.

Beyond this, Bavaria shares with Hesse, Lower Saxony and Schleswig Holstein the serious disability of a common border with the Communist East, in this case with both Czechoslovakia and East Germany. Close to the border are many manufacturing centres which before the war saw their main sales opportunities in the East and directed their efforts in that direction. With the dropping of the Iron Curtain this market was largely removed at a stroke, and to create new opportunities in new markets in the West was easier said than done. One benefit of Willy Brandt's *Ostpolitik* was that it gave to West Germans near the Eastern border the hope that politically a step had been taken which might bring human and economic benefits through a gradual lowering of barriers. Some (limited) progress has been made, and in the long run it could be that those on the border may find themselves well placed once more, with new markets literally at their feet. But in the meantime the border areas remain a prime source of concern and a major object of State and Federal efforts to promote investment and create or secure jobs.

This is in the first instance a political problem from which economic difficulties have flowed. So it is too with West Berlin—a regional problem for the Bonn Government even though the city, as defined in the four-power agreement, "is not part of the Federal Republic and is not governed by it." Some 100 miles behind the East German border, completely self-reliant for energy supplies, gaining next to no business from its hinterland, West Berlin is nonetheless a major industrial power to reckon with, in particular in the electricals, engineering, food processing and chemicals sectors. That this is so owes much to the enterprise and initiative of its citizens. But this of itself would not be enough if West Germany did not offer the city more extensive support than is given to any development area in the Federal Republic itself. Even with this support in the form of subsidies, high rates of depreciation allowance, tax preferences, credit aid and so on, the city faces almost insuperable problems through a shortage of building land and labour. The hope is, of course, that through a relaxation of tension between East and West and increasing trade and business ties, West Berlin will find its future not as an island but as a meeting point.

Importance

The political importance of West Berlin, and the obvious fact that it was simply not economically viable without federal support, meant that the city long benefited from a set of clearly defined aid measures. For many areas of West Germany the case for support was by no means so clear cut, and regional aid was largely administered on an ad hoc basis.

The following article shows how the current system of regional development emerged from the near-chaos, how it has worked to date and what the aims are over the next few years.

REGIONAL DEVELOPMENT IN GERMANY II

حكمة أمنة للأصل

Order out of chaos

TWO MONTHS ago representatives of the Federal Government and the provincial states the *Länder*—approved a programme aimed at creating hundreds of thousands of new jobs and safeguarding many existing ones. It was no hasty meeting, called because the unemployment total in the Federal Republic had soared to more than 1m. and urgent measures were required. Rather it was one of a series, beginning early in this decade, in which federal and provincial authorities decide on what steps will be required to improve the structure of the economically weaker regions of West Germany. The rather grand title given to this exercise is the "*Gemeinschaftsaufgabe*"—meaning more or less the joint task—and, as the name implies, the two sides must agree on the extent of the areas to be helped and the amount of aid to be granted.

It goes without saying that there is much argument. Not only because of the relationship between Bonn and the *Länder* is perhaps best described as one of "dynamic tension," but also because each of the Länder is struggling to obtain the best possible deal for its own problem regions.

Until less than ten years ago the need for a co-ordinated regional policy in the Federal Republic was scarcely recognised. For one thing the years of *Wirtschaftswunder* and of *dedication to the free market* economy had bred an attitude according to which regional difficulties would either fade as the economy maintained its unbroken upward march, or were matters which a central government in a federal system should not attempt to order. True, aid for problem areas did emerge, but on an ad hoc basis which often seemed to have more to do with the need to gain electoral advantage than with sound, co-ordinated economic planning.

It was the recession of 1966-67 which marked a turning point in this field as in so many others. Looking back at that period now from 1975, which has already seen minus economic growth in real terms and an unemployment quota which briefly passed the five per cent mark, it is difficult to comprehend the impact of that relatively minor setback. Still, 1966-67 brought home clearly the lesson that steady economic growth was no law of nature *and that some regional problems* were too stubborn to be dealt with by regions alone—supported by an occasional ill-aimed or ill-timed federal hand-out.

Subsidies

Nowhere was this more clear than in the case of the Ruhr coal industry—an employer of nearly 500,000 people in 1958 and of less than half that total in the wake of the 1966-67 recession. The area urgently needed new industry, and in 1968 the Government pushed through a "local law" offering, among other things, a 10 per cent. tax-free investment premium. This, combined with cheap credit and subsidies provided by the State of North Rhine-Westphalia, which embraces the Ruhr area, broadly achieved its aim, but it hardly did so in the most efficient way. The benefits applied to the whole area, according to what is now des*cribed in tones of* contempt by the economics and finance ministries as the "watering can" principle. The theory—if it can be so dignified—is that if you spray sufficient aid over a wide region known to suffer economic flaws, you are bound to effect improvement where it is needed. This holds good provided almost limitless funds are available and that entrepreneurs act in the best interests of the community as well as of themselves. The West German experience in this respect has not been a happy one. And it is little wonder that when a regional plan apparently applying just such a "watering can" principle was proposed at European Community level, the Bonn delegation reacted to it like a bull to a fluttering red blanket.

The rapidly increasing cost of the investment premium as well as pressure from *Länder* whose problems had been emphasised by the recession, finally brought a basic change in the whole attitude to regional development. *Initially, a series of 21 regional* action programmes was set up, unifying many of the existing federal and provincial state incentives—and from this development finally emerged the *Gemeinschaftsaufgabe*, which took effect in 1972. The key improvement was that the "watering can" principle was laid aside and it was agreed that incentives should only be applied at certain stress points—in 1972 a total of 312 instead of literally thousands under previous arrangements. Further, ground rules were laid down for the kind of benefits which com*panies going to the problem* areas could expect to receive—so much investment allowance for a factory to be built within 40 km of the country's eastern border, and so on. These ground *rules helped to remove the pre*viously almost anarchic situation under which different municipalities would be competing with one another to provide that extra element of benefit which would drag investment into its territory.

The joint federal-provincial state programme has achieved notable success. In the first three years of its existence, up to the end of 1974, it has created 359,500 new jobs and secured some 297,000 others by giving aid to DM32.7bn. worth of private investment and DM2.1bn. worth of municipal infrastructure projects. The latter includes establishment of industrial estates, provision of water, electricity and other services, as well as the development of tourism, a factor of growing importance in many of the border regions which account for a major slice of regional aid efforts. Obviously the programme cannot cover all prob*lems. There are some areas* badly in need of employment opportunities where even the most generous level of investment allowance, tax advantages and so on still fail to tempt the *entrepreneur. In other* cases, it is difficult to judge how far industry might have moved into a particular region even without the benefits on offer—which have to be paid for from both federal and provincial state budgets heavily in deficit.

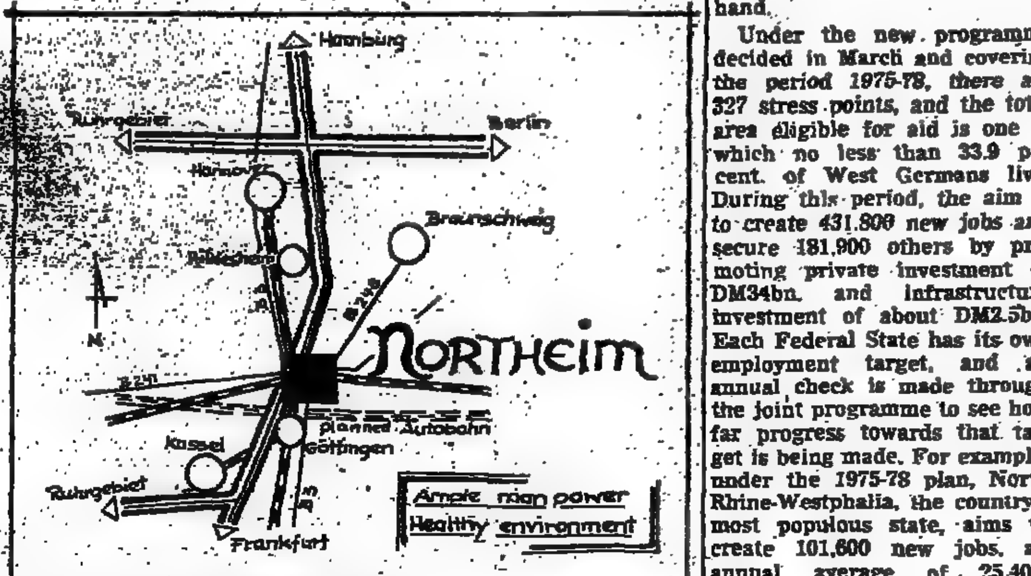
Review

However, the programme is kept under constant review—which means that some new stress points are brought into the overall plan while others, usually after violent argument, drop out because they are felt no longer to require a helping hand.

Under the new programme decided in March and covering the period *1975-78, there are* 327 stress points, and the total area eligible for aid is one in which no less than 33.9 per cent. of West Germans live. During this period, the aim is *to create 431,800 new jobs and* secure 181,900 others by promoting private investment of DM34bn. and infrastructure investment of about DM2.5bn. Each Federal State has its own employment target, and an annual check is made through the joint programme to see how far progress towards that target is being made. For example, under the 1975-78 plan, North Rhine-Westphalia, the country's most populous state, aims to create 101,600 new jobs, an annual average of 25,400. Bavaria, the largest state in area and one of the least thickly populated, aims to create 101,000 new jobs, an average of 25,250 per year. Lower Saxony has the next highest target — 84,000, an annual average of 21,000.

While the *Gemeinschaftsaufgabe* is the key regional development instrument of West Germany; it is not the only one through which aid is administered. For example, help in farming restructure comes through the Agriculture Ministry. The viability of West Berlin depends on separate measures altogether, which take account of the city's special political status and geographical position. And supplementary programmes have to be *instituted from time to time*—for example, because of the decision of Volkswagen to further reduce its labour force, bringing difficulties in three of the *Länder*, Lower Saxony, Baden Württemberg and Bavaria. The *Gemeinschaftsaufgabe* is rather the backbone which ensures that a sound structure of regional development is maintained.

Jonathan Carr



The incentives available

THE COMPANY investing in *new or improved facilities in* West Germany has two main sources of assistance, the "Community Programme for the Improvement of Regional *Economic Structure*" (*Gemeinschaftsaufgabe*) and the European Recovery Programme (ERP). The former is ample in its scope, as has already been described, and can make an enormous difference to the capital cost of a new West German venture. The latter provides help chiefly through the medium of subsidised credit and *concentrates its attentions on* the small and medium sized company. Both have a variety of "special offers" designed to help German industry surmount particular economic shortcomings.

Under the regional development programme companies are encouraged to create or expand productive capacity, and a number of "stress points" in underdeveloped areas where part of the regional development funds have been used to create the "infrastructure" needed by any community. At a "stress point" the investing company can get a cash grant of a minimum of 15 per cent. of the capital cost of new construction, and of up to 10 per cent. of the cost of improving existing plant. Certain "stress points" which the authorities are particularly anxious to develop merit grants of 20 per cent., and those in the border area next to the East German frontier offer 25 per cent. New construction in development areas, but outside the designated "stress points" can benefit from grants of up to 15 per cent. Grants of the same order are available to anyone creating the rooms or facilities to serve tourist traffic in the development areas.

Freight

In addition companies that elect to establish themselves in the border areas, or in eastern Bavaria, benefit from a freight subsidy of which the Federal Government pays 80 per cent. and the State in question 20 per cent. This subsidy is designed to compensate companies for the "dead-end" effect of being next to the iron curtain. The amount paid by the authorities varies from case to case. The company has the option of taking a lump sum capitalised subsidy if it would rather invest in means of overcoming the disadvantage of its position.

In addition to the subsidies provided under the regional development scheme there are a number of opportunities for cheap credit from the ERP fund, which are mainly available to small and medium sized companies. The ERP fund had its basis in the days of Marshall Aid, *when goods supplied to* the German Government by the U.S. were bought for Deutschemarks by companies in Germany. The resulting pool of Deutschemarks has since been used as a source of loans for national economic development.

The basic value of the ERP fund is now around DM7.3bn. and this amount has already been "revolved" through loans and redemptions over four times The part of the total ERP programme that most concerns us *here* is ready to supply DM475m. of loans to small and medium sized companies in 1975.

Small companies wishing to *expand, develop or reorganise* their business will often qualify for loans of up to DM100,000 for investment in equipment, or of up to DM150,000 if the investment involves construction. Such aid is most readily available in development areas, in new urban developments or in industrial estates. The term of such loans is normally ten years, of which the first two years are free of *redemption. The rate of inter*est is fixed at 7.5 per cent. for all areas except the frontier zone, where it is 6.5 per cent.

A traditional way for a small company to go about financing expansion is to invite the participation of a venture capital company in its share capital. Here, too, the process is made easier by the ERP fund. The venture capital company can apply to the Kreditanstalt für Wiederaufbau and take up a loan to 75 per cent. of the *capital invested, up to a limit of* about DM300,000. The interest rate is 5 per cent. and the loan is made for a maximum of 15 years. The conditions on which such loans are made appear to be very unparticular. It is enough if the company that is raising capital wants to do this to "broaden its capital base" or to "strengthen its financial structure to help with investment."

Ventures

Further ERP programmes help companies that wish to co-operate in joint ventures, to invest in waste water treatment plant, in air-cleaning equipment or in facilities for waste disposal. Aid is also available for small companies that wish to involve themselves overseas in developing countries, or (per*haps more pertinently to the* problem of regional development in Germany) which wish to export machinery to such lands and need help in the financing of such sales.

The two programmes providing subsidised or cheap capital are reinforced by a loan guarantee system and by a series of programmes under which the Federal Government will share costs incurred by companies pursuing certain approved ends. Practically all the categories of expenditure already discussed are eligible for further assistance through loan guarantees. Last year the Federal Government spent a total of DM114m. providing direct assistance to small and medium-sized companies. The first category of such aid is the subsidisation of costs incurred by a company in seeking expert advice on how it can improve its management or production methods. There are also other ways in which the Government helps to keep companies informed of new developments and new techniques.

One particularly interesting programme is that which shoulders some of the risk involved in going over to wholly new production methods or in introducing a product involving an untried technology.

Companies can apply for this assistance through the economics ministry of the State *in which they are operating.* They must convince the authorities that they are incurring a certain financial risk by moving into an untried field and that success will either make a significant difference to production costs or will produce a product that looks as though it will satisfy a real need in the economy. Given a good argument a company can then receive a loan of up to 50 per cent. of the pre-production costs of an innovative move, with no obligation to pay back the loan unless the move is a successful one.

Nicholas Colchester

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Analysis of aerosols

HOLOGRAPHY and quantitative TV image analysis are combined in a fully automatic system for the in-depth examination of fast-moving aerosols. The system locates, sizes, counts and maps the distribution of minute particles or droplets and through double pulsing can also give velocity information.

Promising applications include study of potentially hazardous hairspray droplets, assessment of pesticide spread from crop-spraying aircraft, engineering investigation of aerospace rocket or turbine jets and of engine-fuel atomizers, and meteorological research on clouds and fogs.

The new system, believed to be a major step forward in the application of holography, has emerged from collaborative development by the Chemical Defence Establishment at Porton Down and the Meteorological Office, with help from Image Analysing Computers. The technique used is notably superior, in the accuracy of its results and the speed with which they can be obtained, to other methods that are available, which for example catch droplets on glass plates for microscopic assessment.

Exploitation

This use for holography was one of the first thought of. The Meteorological Office has been working on it for years, to exploit its advantages for studying droplets and ice-particles in clouds with records taken by airborne instruments.

Porton Down, collaborating with the Meteorological Office for some time, has contributed a new way of constructing the holographic image, and has made it possible to use a Quantimet image-analysing computer. These analysers are well known to metallurgists, medical research workers and others for their ability to assess the sizes, shapes and numbers of selected features in a televised picture. The principle is to break the picture up into precise "dots" and sort these out by their degrees of "greyness."

The new system for quantitative analysis of aerosol holograms involves moving the hologram plate through a beam of uncollimated laser light diverging from a pinhole, without lenses. The magnified images thus created are picked up directly by the vidicom of the Quantimet. Such direct projection is impracticable with lens systems because their optical "noise" surrounds the images with fringes and makes sizing difficult. As the hologram plate is moved along the laser beam by a servo-controlled stepping motor, successive slices of the three-dimensional holographic image are subjected to Quantimetric scrutiny.

Vital statistics

The analyser decides when each particle comes into focus, then measures and memorises its vital statistics and its place in the scheme of things. After that the data can be presented in tabular printouts or histograms or other customary fashion. And examinations that might hitherto have taken weeks of work are thus "deskilled" and reduced to a few hours' machine time.

An example of the system will be shown at the Inter/Micro-75 Conference and Exhibition, King's College, Cambridge, June 23-26.

Systems capable of assessing particles in a litre sample, down to diameters of 12 microns and less, and costing upwards of £30,000, can be designed to suit particular customers' needs by Image Analysing Computers Ltd., Melbourn, Royston, Herts SG8 6EJ. 0763 60611.

Automatic system

A HIGHLY automated X-ray microanalyser in which much of the operation can be controlled by a computer is offered by Cambridge Instruments.

Called the Microscan 9, it analyses, non-destructively, and both quantitatively and qualitatively, the chemical composition of microscopic volumes at the surface of a material specimen.

An electron beam is focused by electromagnetic lenses into a fine point on the surface of the specimen. X-rays emitted from the surface material as a result of excitation by the electron probe are analysed by X-ray spectrometers.

Microscan 9 can store and automate massive numbers of sampling sequences, involving 40 different spectrometer settings, 27 reference standards and 40 specimen positions, and to classic standards of repetition accuracy. It also incorporates advanced facilities for studying element distribution.

Automatic electron-optical compensation maintains the same image presentation on twin display screens when beam voltage is varied, so that optimum working voltage can be set up quickly and accurately.

Cambridge Scientific Instruments, Rustat Road, Cambridge CB1 3QH. (0223) 42021.

ILEA turns to DEC network

TWO DEC system-10s, the largest machine in Digital Equipment Co.'s range of computers, have been ordered by the Inner London Education Authority for their Polytechnics. The first will be installed at the City of London Polytechnic during May, and the second at the Polytechnic of the South Bank on Thamesside later in the summer.

Together valued at £750,000, they comprise identical medium-size configurations: in a KI-10 central processor with 640K bytes of core storage, two RPO3 discs each with 50m. bytes of storage capacity, card reader, printer, two magnetic tapes, and DC76 asynchronous communications system capable of supporting up to 512 terminals.

A special data communications network is currently being developed by the London Polytechnics, in conjunction with Digital, which is custom-building an interface.

DEC, Fountain House, The Butts Centre, Reading, Berks. (0734 583555).

● HEATING

Hot billets ready to roll

STEEL BILLETS are heated from cold to a rolling temperature of 1250 deg. C in 16 minutes in a twin-strand gas fired Selas furnace installed at the Unbrako Steel Company, Sheffield.

This rapid reheating reduces the risk of surface decarburisation which causes loss of fatigue strength and wear resistance.

Because heat transfer is by radiation, the danger of thermal damage to the billet surface prior to rolling is also eliminated. Unbrako rolls the billets into rod and wire, which is subsequenty used to make threaded fasteners, bearings, chains and springs.

Supplied by Priest Furnaces of Middlesbrough, the furnace will accept billets 3 in. to 4 in. square, fed by an automatic unscrambling and transfer system delivering the billets in two continuous lines to the roller hearth.

Billets pass through five independent automatically controlled heating zones in the furnace, after which they are transferred by a turntable for the first roughing pass in the rod rolling mill.

● METALWORKING

Less noise in bicycle factories

IN NORWAY and Germany production of bicycle forks has been increased and the working environment improved by installing British designed and built double tube tapering machines.

Jonas Ogleand AS, which makes bicycles at Sandnes, near Stavanger, previously swaged tubes—a hoisy process which became unacceptable. Now the company is using a cold rolling machine made by Brookes (Oldbury) which is almost silent.

In addition, the Norwegian company reports material savings of up to ten per cent because when tubes are cold rolled tapered wall thickness remains constant, enabling shorter tubes to be fed, as the process lengthens the tube.

A twin-feed machine, it supplies pre-cut lengths of tube to the rolls. Initially 25mm. diameter, they are tapered for a length of 380mm. Tubes are automatically guided from the magazine feeder into position where pneumatic cylinders push the tube forward between two pairs of profile rolls. After each roll revolution, the tube is rotated and pushed further into the rolls—giving a tapering sequence.

The machine, which cost about £15,000, produces 400 tapers/hour. The company is shortly taking delivery of another Brookes machine (valued at £20,000), which will make handlebars at a rate of 600/hour. Both machines are highly automated, including the use of industrial robots added by the Norwegian company.

Brookes has built only two models of the taper rolling machine—the other has just been installed in Germany, at Kalkhoff's bicycle factory in Cloppenburg.

Brookes (Oldbury) — a TI machine division company — is at Brades Road, Oldbury, Warley, West Midlands B69 2DE (021-552 5311).

● MATERIALS

Gold gives the best protection

QUANTUM Science, a Cheltenham company manufacturing automatic continuous samplers, has chosen gold as the most suitable corrosion resistant material for one of the components.

These samplers—generally for trade waste checking—have a plastic container with a specially formed inlet designed to accept both liquid and polluting suspended solids in correct proportion. The rate at which these can enter naturally is preset by a special regulator which controls the rate at which air can escape. The regulator has a plastic disc on which copper is deposited with an overlay of gold.

In these metals, a specially shaped groove is chemically milled to very high accuracy. The disc is held in contact with a plastic component so that the air has to travel along the groove only one and a-half thousandths of an inch deep. The length of groove is adjusted by rotating the disc and this allows the sampler to be preset to operate continuously from 15 minutes to eight days. Any corrosion would spoil the accuracy of the groove—hence the gold.

The gold discs can be produced to high accuracy by semi-automatic methods and make for a better instrument.

Quantum Science, 27, St. Georges Road, Cheltenham, Glos. GL50 3DT (0242 33030).

● INSTRUMENTS

Light for endoscope

SUITABLE FOR use with endoscopes using BS connectors is the SLS 150 dual 150 watt quartz halogen light source from Specfield, Jennings Buildings, Thames Avenue, Windsor, Berks (95 64456).

Two sockets are provided on the front panel either of which may be used as the main light source leaving the other in reserve. The bulbs light up only when the fibrescope connector is pushed home and a mains interlock disconnects the power whenever the equipment module is withdrawn from its case. A smooth electronic control of light intensity is provided.

● COMPUTERS

Application systems for minis

CORT, Commercial Real-Time, has just won substantial help from the Department of Industry's Software Products Scheme.

CORT was established with the specific objective of developing standard real-time application systems for mini-computers. The project approved under the scheme will be the development and launching of a new range of application systems for the retailing and distribution industries. The help from the scheme will give a substantial boost to to CORT's pursuit of its business objective.

This is the first product to be developed specifically for Mini-computers under the Scheme. In this context, backing by the NCC reflects awareness of a very large and worldwide market for business systems based on them. The key to this market is applications software.

The products will be developed initially based on the Datapoint mini-computer, which is marketed in the U.K. by Vertek. A total hardware, software and support package for a retailing and distribution company will carry an annual leasing cost of between £7,000 and £25,000.

● ASSEMBLY

Training industrial robots

MOST artificial intelligence research has been aimed at finding solutions to major and very general problems; a search which begins with an attempt to arrive at first principles. This is a big long-term task and in the process of research much has been learnt.

Has enough been learnt, however, to enable something practical and cost-effective—fitting within the constraints with which manufacturing industry operates—to be achieved?

It would not be unfair to say that the majority of artificial intelligence scientists the world over have barely begun to apply their knowledge to the constrained and therefore much simplified problems of the factory floor. But one group which is working within the sorts of constraints that interest managers is at the Stanford Research Institute at Menlo Park near San Francisco.

The group is headed by Dr. Charles Rosen, one of the founders of SRI's AI Group. It is supported by a number of major American companies, among them General Motors.

Many studies have been done, particularly in the U.S., of the need for advanced automation tools for industry. The key needs seem to be three: increase productivity, improve quality, and reduce workers' disaffection due to borodom with the work on the factory floor. The studies have identified several labour-intensive areas which offer opportunity, particularly the material handling, inspection and assembly areas in discrete part manufacturing industries for which batch production is the norm.

This is the area in which Dr. Rosen and his team are working. It is, says Dr. Rosen, the right environment. Some 60 to 70 per cent. of all goods in the U.S. are produced by batch methods, and it is the virtue of the batch method that it is programmable—that it could be made subject to some form of computer process.

But the computer is not enough. To make a real impression requires the confluence of two technologies. One involves programmable manipulators, more commonly now thought of as industrial robots.

The other involves artificial intelligence techniques concerned with visual and tactile sensing, pattern recognition and robot manipulation. The problem is to select what is pertinent.

A major limitation of the majority of industrial robots in use to-day is their lack of anything but the most primitive sensory feedback. They lack visual, range, tactical and force sensors, hence they are limited in their use to highly constrained situations.

There has, however, been much work in AI research (as well as at Philips and in Japan) on these problems, even though relatively little attention has been paid to questions of computational cost and program complexity, questions of obvious major importance in an industrial setting.

For instance, the goal of most visual scene analysis programs has been to identify all the objects in a scene regardless of orientation or whether or not vision is occluded by other parts and in varying and sometimes difficult light conditions. Some success has been achieved but at great cost.

But in a plant, recognition of a small number of different parts against a controlled background and under controlled lighting should not be too difficult. The search for the asnwers to the greater problem has, in fact, turned up solutions to the lesser factory production problem, solutions which, if applied, might pay off.

It is to this end that the SRI work is dedicated. The SRI test bed consists of a moving belt assembly line under controlled light conditions, and a Unimate (Series 2000) industrial robot which has been substantially modified and is under computer control.

The test bed has been used for many experimental tasks, but it has performed such routine jobs as inspecting foundry castings, incandescent lamp bases, and washing machine water pumps. The inspection tasks were not too complex—checking that the pump handles were present and the position they were in, verifying that the correct number of electrical contact points were present in the lamp bases and their position, etc. However, these parts came along the conveyor belt as they would do in a factory haphazardly and not necesarily all the same way up.

The system has also been used for the packing of parts.

All this is possible under laboratory conditions. But would it be in real life? The key problem to be solved is the "training" of the device so that it can cope with the reality of the batch environment. And to train it, those who operate it must have the required programming skills.

This would almost always rule the system out for use on the normal factory floor, except that it can first be programmed at the system level to enable it to perform a range of general tasks. Then, in the plant, the batch task proper can be done by a technique which is under the control of an operator using either a joystick or a voice recognition device (Threshold Technology Model VIP-100) linked to the computer system.

Currently this will accept a vocabulary of fifty words, controlling the manipulators to perform the required operations. Once an operation has been effectively performed the commands are stored in the computer system and when the specific part and task are encountered again, the required software can be brought into action.

The task can, in fact, be quite complex, there is a co-ordinate transformation program which enables the trainer to specify straight or circular paths for the sensor-manipulators to follow.

Research is continuing, expanding the number of tasks that the system can manage, and SRI is extending it to cope with more than one manipulator. It is also working on developments of the vision system and its interfaces to enable automatic feature selection, and is working on the extension of part inspection to handle more compex tasks.

Savings that could be obtained from better quality inspection techniques are considerable. Currently it costs the U.S. automobile industry of the order of $25 per vehicle to correct the mistakes made in vehicle electrical systems, after they are supposed to have gone through manual inspection procedures.

● HANDLING

Vibratory feeders

CAPACITIES ranging from 50 to 500 tons/hour are available with a range of seven heavy-duty vibratory feeders introduced by Eriez Magnetics U.K., Wilson Industrial Estate, Caerphilly, Mid-Glamorgan CF8 3ED (0222 868501).

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● OFFICE EQUIPMENT

Filing at fingertips

ANY OFFICE that uses enough filing to fill four conventional four-drawer cabinets should have a look at automated record retrieval equipment designed to present a required file at a convienient working height, obviating all the "strenuous exercise" ordinary cabinet filing demands.

Sperry Remington's latest introduction — Lektriever 600E — brings the mechanised concept of orderly and speedy filing and finding without fatigue within the reach of small offices.

A single unit barely 7 feet high, 6 feet wide and 4½ feet deep provides space for 600 linear inches of filing (or six four-drawer cabinets) and any nominated file can be accessed within ten seconds simply by pressing a button. Average retrieval time is only 7 seconds.

Lektriever 600E has a sliding door which may be closed and locked. Instead of the problems of manipulating half a dozen keys for the same number of cabinets, just one key and one lock can protect the whole of the office paperwork.

As well as providing a modern filing aid to smaller businesses, Lektriever 600E is a means for decentralising some of the mass filing in large organisations—equipping each department (instead) with a convenient point-of-use system.

Sperry Remington, Remington House, 65 Holborn Viaduct, London EC1P 1AB (01-236 1010).

● POLLUTION

Keeps rats from rubbish

ANCHORPAC has a small, efficient, waste compaction system which will meet the needs of smaller outlets — including hotels, supermarkets, offices and some factories — generating up to 1,000 cubic metres of unsegregated refuse weekly.

Waste in this volume is frequently stored pending final disposal in open skips, but collection in this form, particularly where decomposing refuse is involved, is becoming increasingly unacceptable.

Anchorpac A-500 will compact up to 30 cubic metres of waste per hour, packing the material into sealed 10 cubic metre capacity containers. This method of refuse control eliminates risk of fire, smell and rodent infestation.

Powered by a 3 hp motor, the A-500, with a 711mm x 800mm feed aperture, will accept quite bulky objects and the system, activated by a simple switch each time the hopper is filled, completes a single cycle in 34 seconds. It is built up from low cost pressed steel section and measures 2032mm x 850mm wide x 939mm high. The company is at Bell Lane, Amersham, Bucks.

Plastics

The Financial Times proposes to publish a Survey of Plastics in its issue of Thursday, 12th June, 1975. The following indicates the proposed editorial content.

1. **Introduction.** The plastics industry, with a turnover of some £2.2bn., is a key industrial sector producing material and products not only in its own right but also components for virtually every other industry. The past few years have been the most difficult and varied in the comparatively short history of plastics, influenced by the four-fold increase in oil prices, booming demand which squeezed production capacity and now, in many sectors, a depressed market. But the long-term prospects still look bright, with above-average growth rates.
2. **Exports.** About a third of the industry's total production is exported and last year manufacturers and processors were seeking increased overseas sales in a bid to tap the higher-priced markets. The economic recession has dampened export prospects in the early part of the year. When will the market regain its strength and which will be the biggest growth areas?
3. **Management and Marketing.** The industry has been self-critical about the way it carries out its marketing and pricing of plastics materials and products. The steps that the companies, and the British Plastics Federation in particular, have been taking to give the industry a sharper marketing edge.
4. **Materials Suppliers.** The chemical industry is to invest some £2.3bn. in the U.K. over the next three years, a substantial proportion of this in the petrochemicals sector. At a time when feedstock and raw material supplies have assumed paramount importance how is investment likely to keep pace with demand?
5. **Processors.** How is this diverse and somewhat fragmented sector standing up to the pressure of high priced raw materials? As it is at the sharp end of the industry, how is it reacting to public pressures and attitudes through technological progress and improved designs?
6. **Additives.** An important, but often overlooked sector of the plastics industry concerned with such materials as plasticisers, fire retardants, lubricants and pigments.
7. **Machinery Manufacturers.** Lack of production capacity, stemming from low investment over a decade or so, left the industry incapable of meeting all the domestic demand when U.K. processors embarked on their recent expansion and modernisation programme. The way machinery manufacturers and toolmakers are responding to the challenge and strong competition from abroad.
8. **The Environment.** The plastics industry has been thrust into the arena of public debate, whether it be on pollution—the implications of waste plastics; safety—the effects of cancer risks in the production of PVC; or fire hazards—the controversy surrounding the Isle of Man Summerland disaster and the banning by the GLC of some plastics in its housing. What is the industry doing to overcome these problems and to allay public concern?
9. **The Market.** This article, or series of articles, will look in detail at some of the major markets for plastics and the way they have been influenced by price increases and competition from other, more traditional materials:
   - The Building Industry;
   - Packaging;
   - Motor Industry;
   - The home—furniture, kitchenware, etc.

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The Executive's World

EDITED BY JAMES ENSOR

Hoechst, says David Fishlock, regards its research as a

Strategic investment for the future

ONE WAY of measuring the effectiveness of a company's research effort, believes Dr. Rolf Sammet, chairman of the West German chemical group Hoechst, is by the contribution novel products born in its own laboratories are making to turnover. In 1973, one-third of his company's sales derived from products that had not existed a decade before.

As Hoechst disclosed earlier this week, products which to-day are at best experimental samples in the hands of its scientists, but which by the 1980s could be making a big contribution to profits include an enzyme for treating certain commonplace cancers, a vaccine that affords protection against dental caries, viruses for the control of pests, and a nutritionally rich protein produced from methanol.

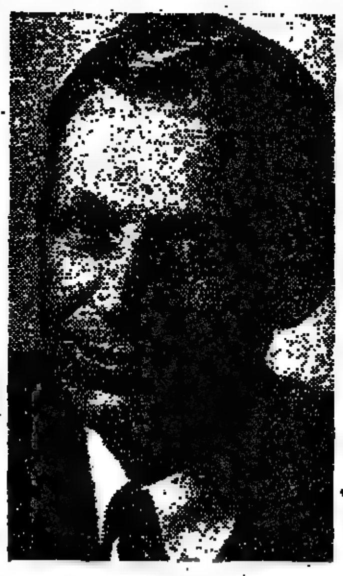
Company confidence in its research investment can be gauged from the scale of its scientific operations. Partly through internal growth, partly through acquisition of research-intensive companies such as Roussel Uclaf in France, Hoechst has built up one of the biggest research efforts of any European company. With a research and development budget of DM.800m. (£150m.) worldwide last year—some 4 per cent. of sales—its investment exceeds that of such research-conscious companies as ICI and Shell.

It is the group's most important strategic investment for the future, says Dr. Sammet, comparable in size with the sum set against depreciation (DM1.26bn.) and with group profits last year (DM641m.). Almost three-quarters of the research funds are spent at a dozen research centres in Germany, with the balance spread across more than eight other nations, including the U.K., Japan and Brazil.

The man who for the past six years has been responsible, as Board member for research, for co-ordinating this sprawling research effort is Professor Klaus Weissermel, a polymer chemist of puckish appearance and humour. Professor Weissermel also enjoys executive responsibility for the central research effort, in Frankfurt, some 14 per cent. of the total R and D investment, where sights tend to be set eight-ten or more years ahead.

Across the River Main from the old walled city of Frankfurt, Hoechst is building its new research centre, started in 1959 but not scheduled for completion until the mid-1980s. Already about 500 Ph.D.s are at work on the site. It has absorbed the lion's share of some DM700m. Hoechst has invested in new research facilities over the past ten years.

The case for a big central



Dr. Weissermel

research effort, in addition to divisional research, rests, says Dr. Sammet, with the mutability of the market and of raw material supplies. These shifts can invalidate research projects at short notice. A big, multi-disciplinary research effort is less vulnerable to such short-term changes than more specifically targeted teams might be.

For Weissermel the vulnerability arises because "the road from invention through innovation to the technical maturity of a product or process has become more laborious and longer."

Although optimistic that chemists can continue to conjure many more inventions of the profitability of nylon, PVC or paraquat, Weissermel offers several reasons why research management is becoming increasingly difficult. One is that the longer lead time that must be allowed to bring new chemical products to the market—8-10 years in the case of a drug, where it was 4-5 years only a decade ago—makes it more difficult to forecast demand.

Professor Weissermel cites factory-made protein, a development in which Hoechst claims to be leading the German chemical industry, as an example of a long-lead-time development. In his opinion, world protein deficiency can no longer be met by increasing crop yields, even with the help of genetic manipulations, or by cultivation of virgin lands. Synthetic sources of protein of high biological quality have to be found.

The company is building a £2m. demonstration plant to produce upwards of 1,000 tons of protein a year from methanol. It is scheduled to come on-stream next year, continuously fermenting protein for use in animal feedstuffs. But on present estimates, says Weissermel, the product will be twice as expensive as soya. Before committing the company to such a heavy R and D investment he had first to convince the Board that the price of soya will have risen much higher by the 1980s.

In the case of synthetic leather the market changed while Hoechst was still at pilot-plant stage with a product that was proving very complex to imitate. But even if, for some unforeseen reason, the market for factory protein should also collapse, the research involved in continuous fermentation would have provided great stimulus to other areas of biotechnology, such as antibiotics and other drugs, enzymes and food processing.

Drugs are another example of a long-lead-time development. But despite the fact that excellent drugs now exost for most of the major ills of mankind, Weissermel believes there remains three or four areas—cancer, heart disease, and early disease diagnosis, for instance—for major drugs to emerge. Hoechst is spending more than one-third of its research funds on drugs.

Cancer, an area of research in which many pharmaceutical groups have grown deeply disappointed in the past few years, is one which Weissermel continues to back. "It seems to me that immunology can give us some new leads, especially if it is detected very early."

The discovery that certain cancers were shrouded in a film of carbohydrate called neuraminic acid, which prevented the body's natural defences from recognising the tumour as "foreign tissue" and rejecting it, led Hoechst's Behringwerke subsidiary to seek a chemical that might "unmask" the tumour. Such a chemical—an enzyme called neuraminidase, produced fortuitously as a by-product of the company's cholera vaccine manufacture—has just begun clinical trials on cancer patients.

New chemical products will continue to be one important target of Hoechst's research, says Dr. Sammet, but better process technology would in the future prove of still greater importance. At present the division of R and D funds is roughly 60 per cent. for product research, and 40 per cent. for process research: although there are sectors—such as drugs and pesticides—where the proportion devoted to the product, is much higher.

Forecasting future developments in organic chemistry in light of prospects for energy and raw materials, Hoechst researchers find it unlikely that any "far-reaching restructuring" of their industry will take place within 10-15 years. But they acknowledge four "crucial points in development" that scarcity and rising energy costs have brought to the forefront. These are (1) the development of processes which save on raw materials, (2) the restructuring of refinery operations, (3) the development of new processes based on "synthesis gas," and (4) the use of nuclear heat in chemical plants.

They foresee, for example, a change in European refinery practice—already detectable in Germany—from being geared to a market dominated by energy users to one more akin to the U.S. pattern, where chemical users predominate. But they warn that the change will be costly and that the cost of conversion will probably lead to "disproportionate increases" in the price of organic chemicals.

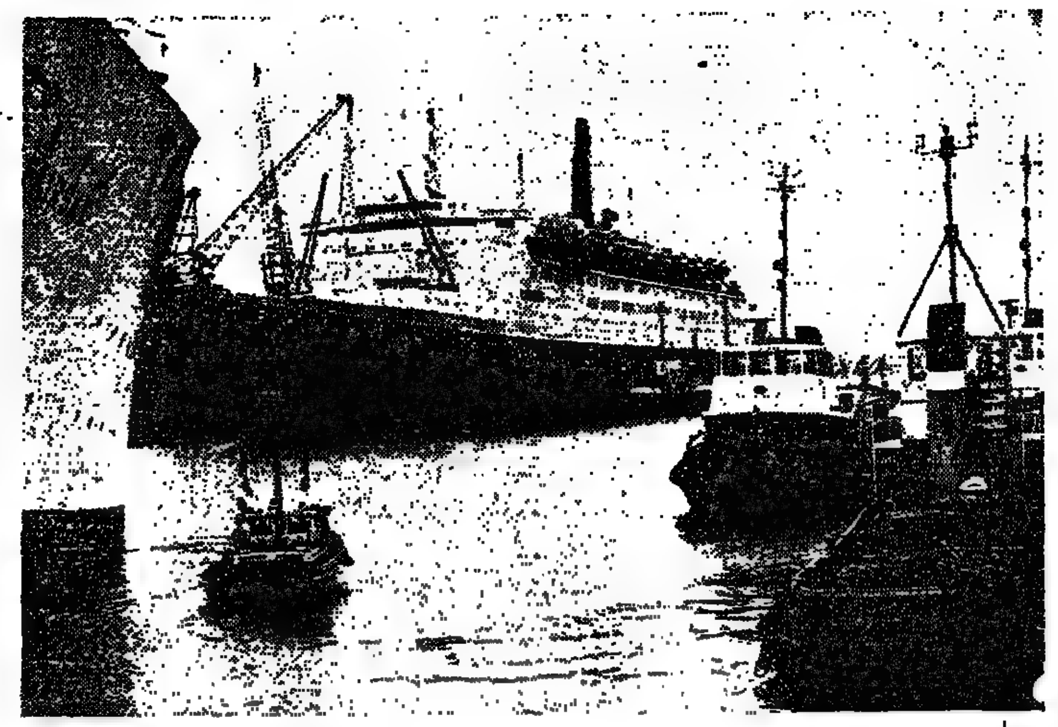
As for nuclear energy, the researchers believe that at least 15 years could elapse before it is ready to help the chemical industry save raw materials and energy. One problem foreseen is that only very big chemical plants will be able to use an integral nuclear reactor economically, because such reactors are likely to have a heat output of at least 2,000 MW,

Profit making ports

BY JAMES ENSOR

THE BRITISH Transport Docks Board, the State concern which operates a quarter of Britain's ports (by value of tonnage handled) produced a profit, last year, before tax and interest charges, of £12.1m. Heavy interest charges amounting to £7m. and a special £2.9m. provision for additional depreciation to cover high replacement costs reduced this to £1.5m. But the return on the £155m. capital employed though modest is impressive by the standards of port authorities or State concerns.

The Board, a haphazard amalgam of the British ports which were neither municipally owned (as Bristol), involved with the railways (as Harwich) or of major national significance (London and Liverpool) has not always achieved even this modest level of return. In 1970, it was earning less than half the rate of return on assets of £127m.



Southampton is now Britain's second port

Since then, the Board's level of return has risen slowly but steadily, despite setbacks in the national trading position, as for instance in the decline in coal exports and in oil imports. Much of the improvement has been due to the growth of Southampton, now Britain's second largest port (excluding oil shipments) whose record in productivity and labour relations stands in sharp contrast to the sorry record of London and Liverpool.

Immingham

The development of Immingham as a major port for bulk cargoes of iron ore and oil also helped: indeed, Immingham is by far the most profitable port in the group. But, the general record of improvement in profitability extends right across the scale of the Board's business and stems from a large number of small successes—the growth in roll-on roll-off traffic at Hull, the capture of banana trade by Barry or the decision to charge more economic rates for fishing berths at the East Coast ports.

The improvement in the Board's rate of return largely coincides with the period of Sir Humphrey Browne's chairmanship. Sir Humphrey, a man at home in both the private and public sectors (he is chairman of Bestobel) has not been afraid to back tough decisions. The closure of the obsolete Albert and William Wright docks at Hull, with 400 redundancies, the closure of Barrow as a commercial port were made in a political and union environment which does not encourage the pruning of docker's jobs.

Despite the fact that 90 per cent of Britain's ports are owned by public undertakings (even before the nationalisation of the remaining handful of private concerns) the BTDB faces direct and sometimes fierce competition from its rivals. Ports owned by municipalities are often tempted to attract traffic through reduced rates, in the knowledge that the ratepayers will foot the bill for losses. The privately run Felixstowe and some of the small Kent ports offer strong competition for roll-on roll-off cargoes, while London and Liverpool with their developed industrial hinterland would be the natural focus for much container and general cargo business.

The Board has steadily increased its share of the total traffic and its profitability, through investing wisely and opportunely. It is now building two new container berths at Southampton for the South African Conference, having successfully demonstrated that it can serve the Far East trade, which containerised some years ago. It invested heavily in deep water berths at Port Talbot, now paying off in the growth of iron ore traffic. And it has deliberately sought a large share of the growing car import traffic, with Renault at Southampton, Volkswagen at Grimsby.

Sir Humphrey points out that the "illogical geographical distribution of the Board's ports leads to a highly competitive situation." He opposes the estuarial principle of putting all Humber or all Thames or all Bristol Channel ports under one management on the grounds that it would produce an effective monopoly.

The Government seems to have accepted this view for the consultative letter it wrote suggests that the National Ports Authority will act as a holding company, with existing publicly owned authorities continuing to have management authority and continuing to compete one with another. Sir Humphrey is adamant that the existing managements should be able to maintain control over their capital investment decisions. He points to the success of Felixstowe as an important factor in keeping the efficiency of NTDB ports—particularly Hull and Immingham—up to the mark.

The Board itself has allowed its ports to compete with each other and has been able to use its range of small, medium and large ports as an effective promotion ladder for middle and senior management. The Board has a very clear idea as to which of its ports contribute the most and the least to profit (the fish ports of Grimsby, Lowestoft and Hull are the poorest). And it takes steps, where necessary, to improve the performance of the laggards though as Sir Humphrey readily admits little can be done about the fish docks. "Fish is the scourge we bear," he remarks.

Hull, a big lossmaker as its general cargo switched to deep water container ports, has been brought back to modest profitability by the development of roll-on, roll-off trade with Scandinavia and the Low Countries. Immingham and Port Talbot set a standard for the smaller, less modern ports to aim for and the competition improves the efficiency of all. It would be tragic, indeed, if misplaced ideas of political unification led to the disappearance of this healthy competitive spirit within a State owned industry.

Catering to the Swiss

WHEN IT comes to the catering business, the Swiss are the acknowledged champions. They go all over the world to act as restaurant managers, maîtres d'hôtel, chefs, and so on. So, it's a bit of a switch, and a feather in the cap, that the manager of the restaurant at Lugano's new Convention Centre is an Englishman, David Bolton.

He took charge of the operation for the well-known Mövenpick chain of restaurants when the Centre opened at the beginning of April, after serving as assistant manager at the existing Mövenpick in the community. He faces a big job since, in addition to running the restaurant, he is in charge of all the catering, including for the conventions and other gatherings, which will take place in the up to 1,050-place banquet hall and smaller dining rooms; it's this side of the job which appeals to him most.

David didn't suddenly scale the heights. He climbed up laboriously, like any good Swiss. His parents were in the hotel business in Britain, and he spent three years studying at the Brighton Catering School.

His first Swiss job was with Mövenpick, as a waiter. Then he moved to St. Moritz, first as a waiter, and then as buyer for food and spirits at the Schweizerhof Hotel; and later as barman in a night club.

Based on his own experience, David Bolton believes it is tougher running a restaurant in Switzerland than in Britain—or in most places. His reasons? Such things as having to think (and prepare menus) in the three national languages of German, French and Swiss, not to mention English for visitors: to control staff from such diverse countries as Italy, Spain, Austria, Turkey. Swiss clients also are very exacting, fussing over the smallest detail, and going over their bills with a magnifying glass.

NORRIS WILLATT

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FRIDAY, MAY 30, 1975

It might have been worse

GIVEN the history of outside arbitration on the level of railwaymen's pay, the recommendation published yesterday by the Railway National Staff Tribunal—an all-round percentage increase of 27.5 per cent., against an original offer by the British Railways Board of 21.2 per cent.—is more realistic than might well have been feared. The arguments which led the Tribunal to suggest a pay increase of this precise size are not altogether convincing, but that was probably inevitable. This is the first major pay claim to have gone to arbitration since the TUC issued its guidelines for interpretation of the social contract. Since the guidelines are couched in general terms it was to be expected that the Tribunal, which conceived its main object to be that of hitting on a settlement acceptable to all parties, would take some note of what has been happening to wages in other industries, especially those in the public sector.

It may be going too far to assume that the Government actively approved of all these public sector increases, yet it had not condemned them individually. Indeed, it has adopted such an arms-length attitude towards interpretation of the TUC guidelines that it was not even able to supply adequate statistical information to the Railway Tribunal.

Comparability

If the meaning of the guidelines was taken to be the way in which they have been interpreted in practice—even though some employers are agreed to have taken "a more relaxed view" of them and others to have ignored them altogether—the old standard of comparability was bound to creep in by the back door: the Tribunal's award is largely based, in fact, on its calculations of the amount by which a weighted average of various recent pay settlements have exceeded the rise in the index of retail prices. Even this, however, is a great deal better as a standard, since larger increases get more publicity, than a mere impression that recent increases have ranged around 30 per cent. It is mere impressions of this sort which have recently caused union negotiators to pitch their claims higher and higher, with no more resistance from the Government than warnings from the Chancellor that the result will be higher unemployment for somebody or other.

The difference between 27½ and 30 per cent. is of more psychological than financial significance, but it may still help to damp down expectations. Two other features of the Tribunal's recommendation are equally welcome. The first is that it has refused to undo the good of its own recent restructuring proposals by recommending a flat money increase to everyone and so eroding differentials—a process which is one of the more unhappy consequences of voluntary pay restraint and one which is bound to be reversed sharply sooner or later. The other is that it refuses to accept the nominal cost of its award as its real cost to the Railways Board, arguing that there is still scope for planned reductions in manpower.

Differentials

It is on these two particular features of the Tribunal's award, which is not binding, that the trade union reaction is likely to hinge. The ASLEF, as the union which on the whole represents the more skilled railwaymen, naturally welcomes the proposed maintenance of differentials and seems, together with the white collar union involved, to be well-disposed towards the report. The NUR, on the other hand, is both more concerned about the position of the lower-paid railwaymen and more sceptical about the scope for making further reductions in the labour force without massive new capital investment of a kind which does not at present seem to be likely.

Many NUR members, in fact, stand to get relatively little new money as a result of the award, and the attitude of the union leaders at to-day's meeting may well hinge on the extent to which they believe that the recommended minimum earnings level provides scope for negotiation with the Board: the Tribunal, which puts a figure of only £0.6m. on the cost of this particular concession, evidently does not intend the scope to be large. The tension between the need to look after the low-paid and to prevent differentials from being further eroded is of more general interest at a time when the TUC has to resolve the differences of its own members on this point before recommending new pay guidelines to Congress in the autumn.

Protectionism in the Channel

THE OBJECTIONS which trade unions on both sides of the Channel have been raising to the new ferry service which the West German TT Line had planned to begin operating between Southampton and St. Malo this week have changed somewhat since the issue first arose, and as the objections have changed so the matter has become less of a straightforward industrial relations problem and more one which gives rise to wider questions of the public interest.

Flag of convenience

The affair began with the French and British seamen's unions expressing their opposition to the German company's plans on the grounds that it proposed to operate the service with a ship sailing under a flag of convenience and crewed by Filipinos. The rights and wrongs of this point do not now matter as the company has since endeavoured to meet it by transferring the ship's registration from Cyprus back to West Germany. Although the company also claimed that the Filipino crew were being paid more than British seamen in U.K.-registered ships, it undertook gradually to transfer them to other operations and replace them with a mixed British, French and West German crew.

However, by then the port workers' unions on both sides of the Channel had become involved and it was claimed that the new service would cream off peak summer traffic from the existing British and French cross-Channel ferry operators. In reply, the TT Line—which is West Germany's biggest ferry organisation, operating up to now mostly in the Baltic—has said that it intended to commence an all-the-year-round service next year with a bigger ship able to carry freight as well as passengers and cars.

But the issue has since developed into what, in some respects at least, can only be described as a barely-disguised attempt to use industrial power in an attempt to ensure that Channel ferry services are reserved to British and French operators. Indeed, some strike leaders on both sides of the Channel have said virtually as much, and it is this aspect that raises matters of public policy. A German company operating a German-registered ship has every right under EEC rules to try to break into this market and, should Britain remain in the Community after next week's vote, the unions concerned would be acting in a way that directly flouts the spirit of the Community's competition policy.

The situation is also of direct concern to domestic policy in this country. The recent Monopolies Commission investigation of the cross-Channel fares cartel and revenue pooling arrangements was hampered by its lack of jurisdiction over the French and Belgian participants. But, after pointing out the difficulties facing new operators who wished to break into the business (a point which is all the more important now that the Channel Tunnel will not be built), the Commission developed a very convincing case for encouraging greater competition—and for requiring the British operators to withdraw from the fares cartel and enter into no new pooling agreements. The ferry operators are resisting the Commission's recommendations but there is no reason why they as well as the public should not benefit from a more competitive situation. For that matter, some of them may one day want to start up operations in the Baltic.

Has the City let industry down? NEDO papers, published to-day, throw new light on the controversy

A fund-raising mechanism to be tuned, not scrapped

BY GEOFFREY OWEN

THE view that there is something wrong with our existing mechanisms for channelling the savings of the public into manufacturing industry is by no means confined to Mr. Anthony Wedgwood Benn and his friends. It is widely believed that the main intermediaries—the insurance companies and pension funds—regard office blocks and shopping centres as more attractive investments, in terms of security and return, than engineering factories, while the Stock Exchange is thought to be too volatile and too preoccupied with short-term performance to be a reliable source of funds for industry. Even the City, or some sections of it, admits that the system is far from perfect.

Yet in spite of the criticisms evidence that industrial investment has been held back for lack of finance is remarkably sparse. A survey by the National Economic Development Office (published to-day as part of a set of papers concerned with finance for industry) concludes that in the period up to mid-1973 neither the availability nor the cost of finance was a significant constraint on investment. The main exception was the "recovery" situation where a company had recently emerged from a major management upheaval following serious trading setbacks.

Clearly the accelerating inflation and the collapse of the stock market during 1974 created a very different situation. Companies with high gearing ratios, poor profit records and no coherent strategies for remedying their financial problems found their weaknesses dangerously exposed. But even in this period most companies emphasised other constraints on investment, such as uncertainty about the future, price controls and the need to finance inflationary increases in the value of stocks and work in progress, rather than the inability to raise outside finance. An inquiry carried out by the Investors' Chronicle, published to-day, concludes: "We were able to find virtually no industrialists who considered that the unavailability of capital had held back their investment plans."

DISTRIBUTION OF NET INVESTMENT BY INSURANCE COMPANIES, BY CLASS OF ASSET (COMBINED FUNDS)

	1972		1973		1974 (first half)	
	£m.	%	£m.	%	£m.	%
Government securities	288.4	21.4	318.6	23.2	159.7	27.1
U.K. local authorities etc.	−12.3	−0.9	16.6	1.2	23.8	4.0
Company securities:						
Ordinary shares	679.9	55.1	56.7	26.0	67.0	11.4
Unit trust shares	30.0	2.2	29.9	2.2	12.3	2.1
Preference shares	2.8	0.2	10.4	0.8	4.6	0.8
Debentures etc.	166.0	12.3	62.9	4.6	28.8	4.9
Total	878.7	65.1	459.9	33.6	112.7	19.1
Mortgages & loans	63.9	4.7	265.9	19.4	114.5	19.4
Overseas Government securities	0.7	0.1	2.4	0.2	2.3	0.4
Land, property & ground rents	131.3	9.7	306.8	22.4	176.6	29.9
Total	1350.8	100	1370.4	100	589.7	100

Conservative attitudes

What the NEDO survey does bring out is the conservative attitudes which exist, especially among smaller companies, both towards investment in new facilities and towards the use of outside finance. Several of the companies questioned had no difficulty in financing their investment because their growth ambitions were so modest. The main characteristics of these companies were family influence, a concern to avoid dilution of ownership or control, a relatively low rate of growth, and satisfactory, albeit static, levels of profitability—in excess of 20 per cent. return on capital employed.

This tends to support the view held by many merchant bankers that the problem is not the inefficiency of the capital market, but the lack of determination and aggressiveness on the part of management. Does it follow, then, that bankers and institutional shareholders are at fault for failing to bring pressure on sleepy managers who are neglecting investment opportunities? It is often assumed that institutions in other countries are more active in this respect—an assumption strongly questioned by Mr. Ronald Grierson in a monograph published with the NEDO papers. "The notion of bankers prodding reluctant industrialists into making investments," he writes, "is as unknown in Tokyo and Paris as it is in New York and London."

Equally dubious is the proposition that the success of certain countries, particularly France and Japan, is due to the role of the State, or of State-backed institutions, in directing the savings of the public into productive investment. Such institutions certainly play a useful role in supplementing the capital market, but their importance should not be exaggerated: a group like Nippon Steel derives less than 3 per cent. of its borrowed funds from State bodies. Mr. Grierson stresses that the impetus for expansion in Japan has come from industrialists responding to a general climate, not from the State or its agencies.

In both countries, he argues, the main contribution of the Government has been to give the needs of industrial expansion a high degree of priority over other policy pressures, so that when the inevitable compromises have to be made it is not invariably the claims of industry which suffer. The "Plan" machinery in France, and the close relationship between industry and the bureaucracy in Japan, are obviously helpful in achieving the necessary consensus.

One of the most influential committees of the "Plan" is that on financial affairs which seeks to establish what approximate flow of funds has to occur from savings into investment to support a particular level of industrial expansion. To the extent that the flow cannot be expected to occur naturally, the committee advises by what policy measures (Government financing being always the last resort) it can be prompted.

In Japan an annual balance sheet is drawn up showing needs and sources, and if there is a shortfall steps are taken to increase the flow of savings into channels which industry ultimately taps. "Such steps may include altering the reserve requirements of the banking system, tax privileges or other factors; and the role played by state affiliated lending organisations is relatively marginal."

A watching brief

It was with this experience in mind that Mr. Grierson proposed (and the NEDC subsequently accepted) the formation of a committee on finance for industry which would have a watching brief over investment intentions and financing and would make recommendations to the Government on how any anticipated shortfall could be made good. He also suggested the establishment of a Cabinet committee on industrial investment, to ensure that decisions taken elsewhere in Whitehall took into account the need for a consistent policy on industrial expansion.

One obvious issue for the new committee to look at is the extent to which existing tax arrangements discriminate against the provision of funds for industry. One of the reasons why the U.S. and German capital markets, in particular, have a much greater capacity to absorb long-term industrial debt issues is the more favourable tax treatment of bond interest compared with the U.K. (There are also regulations governing the degree of risk which institutions may take in the disposition of their funds.) The high stamp duty on market dealings in industrial fixed-interest securities is another obstacle whose removal should be considered.

There are proposals that the Bank of England should consider the possibility of medium-term rediscount facilities for the banking system in respect of industrial investment, and the possibility of the banks operating a system of syndicated credits of the kind familiar in Germany, with a clearly designated leader and a number of followers sharing the risk in negotiated proportions.

Finally, Mr. Grierson suggests that the Treasury might consider the possibility of a self-denying ordinance not to issue, at any rate for a trial period, any further gilt-edged securities of a maturity exceeding, say, eight years, thus giving long-term industrial borrowers a better opportunity of satisfying their requirements. For, as an investment manager quoted in to-day's Investors Chronicle puts it "the long-term bond market isn't dead; it has simply been monopolised by the Government."

Steps to revive the industrial bond market and other measures of this kind rest on the assumption that existing mechanisms for financing industrial investment are basically sound and there is no need for drastic institutional upheavals of the sort associated with Mr. Wedgwood Benn. Within the NEDO staff, it appears, this assumption is not totally accepted. In their paper on the suppliers of finance there is implied criticism of the pension funds for their passive attitude to management and for discriminating against certain sectors, such as engineering, textiles and transport, because they do not satisfy their investment criteria.

There is the suggestion in the paper that the institutions, in their quest for high returns, shy away from industries which offer only a modest return and that this "erosion of confidence" may be self-fulfilling. "It may be," the paper suggests, "that savers in general can only hope to achieve a satisfactory performance in the long-term if they accept an unsatisfactory one during a period in which industry re-equips itself."

Secondary market

The same paper accepts the need for a large secondary market (the stock exchange) in which existing claims can be bought and sold, but suggests that it may be too large and is certainly too volatile. "If share prices, which measure the market's optimism and confidence, diverge in a marked and sustained way from the present value of the earning power of the underlying assets, the financial system itself can be called into serious question." As the market gyrates, the terms on which manufacturing companies can raise finance fluctuate, with potentially damaging effects on investment.

The paper implies that the differing time horizons of the "financial investor" and "the industrial investor in new or replacement real assets" may create a conflict of interest which is difficult to resolve under current capital-raising arrangements. Above all, the paper concludes, while the private saver can place his money in building societies for rapid conversion into housing finance, no similar device exists for industry. The capital market has been unable to activate the deposits of the many for industry."

The evidence for some of these assertions is not fully spelt out, but one strand in the thinking is familiar. British industry is trapped in a vicious spiral of under-investment and low productivity, the re-equipment which ought to be taking place—for example, in the engineering industry—is not taking place, and the great institutional investors, which have such an enormous stake in the prosperity and growth of manufacturing industry, should be doing something about it.

What can the institutions do about it? They are often criticised for not intervening more forcibly when they see a company going downhill through bad management. But it is not at all clear that the institutions will be able to identify what is needed to correct the weakness, or even to find the right management to take over the company. They may support initiatives coming from another party, such as a merchant bank; they are rarely in a position to take initiatives of their own. No doubt they could be rather more forceful than they are at present—several are moving in this direction—but their role can never be an entrepreneurial one, seeking out situations where assets are being under-utilised in the style of a Slater Walker. If industry is lacking in dynamism, it is no good looking to the institutions to provide it.

Moreover, they are under no obligation to preserve all the companies in which they happen to hold shares; the selling of the shares when they become disenchanted with the company's prospects is an entirely legitimate act. In the end that company may go out of business, while others prosper and grow; that is how the market economy works.

Investment criteria

Are the institutions' investment criteria too demanding, causing them to rule out propositions which may be necessary in the national interest, modestly profitable but not attractive enough in relation to other opportunities? There is no clear evidence that institutions in the U.K. have higher profit expectations than their counterparts in other countries, though some industrialists suspect this to be so. The insurance companies and pension funds have to assess each situation on the basis of security and return over the long-term; it is a matter of judgment and sometimes their judgment is wrong, but the criteria which they apply are normal commercial ones.

It is right, of course, that the institutions, because of their role in the economy, should be subjected to periodic scrutiny. It is right, too, since the growth of the economy depends on an expanding and profitable manufacturing industry, that any obstacles which inhibit investment in manufacturing should be removed. The NEDO papers have identified some of these obstacles and the new "watchdog" committee, when it is set up, will consider ways of removing them.

Piecemeal modifications to make the system work better (of which the establishment of Finance for Industry was one example) would seem to have a better chance of success than the subjection of the capital market to a large dose of state direction. But while the threat of such intervention exists, it is all the more necessary for the institutions and the other elements which make up the capital market to demonstrate to the public at large and to industry in particular that they are doing a good job on their behalf.

MEN AND MATTERS

The Narodny in Moscow

Who has the third, and most recent, representative office of a British bank to open in Moscow? The answer, coming after Barclays (in partnership with Tozer Kemsley and Millbourn and Lazards) and the NatWest, and opening before Lloyds and the Midland, which both have authorisation but have not yet completed the physical details, is the Moscow Narodny. So why does the Moscow Narodny need an office on its owners' doorstep?

"We're a British bank, and we're opening up in Moscow just like any other British bank," is one bland official comment. It is quite factual, too, in the sense that Moscow Narodny, while set up as a joint branch of some Russian banks, changed status and was incorporated as a British bank in its own right in 1919. But with all its shareholders being Soviet organisations—the main, though not majority ones being the State Bank (Gosbank) and the Foreign Trade Bank (Vneshtorgbank)—its needs in Moscow are a bit different to a British clearing banker's.

Like them, it wants a Moscow representative to service Western customers doing business with Russia. If an exporter has been using Moscow Narodny to arrange letters of credit and so forth, then when the exporter is in Russia it helps for him to have an MN man on the spot rather than being left to learn for himself the intricacies of the internal banking and buying systems. The second reason is peculiar to the MN: it does a lot of business with its shareholders and a personal contact in Moscow, initially through Oleg Lapushkin, formerly deputy head of the economic department in London, speeds up business.

Moscow Narodny, with a Russian board but British general management, currently under C. O. Dicks, rivals the Banque Commerciale de l'Europe du Nord (Eurobank) of Paris in size and longevity as a Russian-owned Western bank. While its primary function remains East-West trade, its policy has been increasingly to finance other business and, despite some doubtful debts to property developers and stockbrokers, Moscow Narodny has survived the last two years with its reputation for efficiency, based on foreign exchange and gilt dealings, intact.

One sign of the formal foreignness of Moscow Narodny in Moscow is that its representative office, like those of other Western banks, is housed in an hotel room.

McPhail goes

With the share price sagging at 5½p, William McPhail has made his exit from Barker and Dobson, the troubled confectionery and grocery group. There was a board meeting on Tuesday and McPhail retired, then and there, from the chairmanship and all other group jobs. "No row," insists Professor Geoffrey Clarkson, the man who succeeds him, adding that McPhail is, after all, 67, and had talked of retirement before.

McPhail, the former Scottish Co-op clerk, has had a public company career characterised by shareholder revolts (it was one of these which brought him back into Barker and Dobson in 1971) and arguments with auditors. His time at Barker and Dobson (formerly called S and K Holdings and before that Scribbans-Kemp) has been scarcely less eventful than his previous tenure of Associated Fire Alarms.

Two other main board directors of Barker and Dobson have also recently resigned, as well as several subsidiary directors, and the new chairman Clarkson, Professor of Business Finance at Manchester Business School, looks like having a baptism by fire in the practice, as opposed to theory, of company management. He was, he said, "surprised to be appointed," but would not have taken the job if he did not see a way out of Barker and Dobson's problems—the last half-year's loss revealed was £592,000.

"NATO has nothing to worry about, Harold, look how long it took us to get out of Vietnam!"

Ford's pay cuts

There is a widespread view within the British motor industry that Ford executives earn far more than anyone else. Whether or not that was ever true—and at Dagenham they usually dismiss the suggestion with a sardonic guffaw—they certainly did not manage it in 1974. Chairman Sir William Batty took a cut from £45,229 to £32,317, and all the four directors who in 1973 had earned over £27,500 dropped below that figure. Only three of them earned over £20,000 (and this in a company with a turnover of almost £1bn.) while, excluding directors, the total number earning over £10,000 was slimmed from 66 to 41.

By contrast, British Leyland paid its chairman Lord Stokes £47,915 in 1974, and John Barber, its departing managing director, between £45,001 and £47,500. Six other directors earned over £20,000. In 1973 Vauxhall (the 1974 figures are not yet published) paid its chairman $207,000 (£89,000 at current rates), and six other directors over £20,000, two of them over £32,501. Chrysler's situation is less clear because several of its directors are paid through Chrysler International in Switzerland.

One might suspect that Ford's cuts, coming at a time when it engaged on a big programme to get more production out of it workers, is a well-timed example of sacrifice. Well, yes and no. The real reason is that Ford's 500 top executives are tied to a results-based bonus and last year, when Ford shop floor workers achieved their two-year 40 per cent. pay deal there was none. If car sales continue as they are at the moment it looks as though there will be none this year either. Will this comfort the Dagenham door-hangers?

The pound is safe

A colleague who went to collect his towed-away car from the pound in Wood Street Police Station, in the City, was about to get in after unlocking the door when an officer said; "Excuse me, Sir, while I remove the Krooklock."

Observer

REFERENDUM

13 years on, my vote is still 'yes'

BY DAVID WATT

"I BELIEVE we should go into the Common Market because I do not think that Britain (or for that matter any but a super power) can any longer realise alone her full potential either as an industrial nation, a leader of world opinion, a source of assistance for the underdeveloped world, or a stabilising democratic influence in the Western alliance. . . . I am not alone in thinking this. My friends, my generation, if you like—I am 30—grew up in the war and the post-war years. This period has rubbed our noses in two harsh facts: Britain's loss of power and the sad impossibility of building Jerusalem in the midst of nuclear, nationalist anarchy. Any Socialist with a spark of imagination must see the Common Market as Labour's dreamed-of chance to spread its ideals and practical wisdom outside the narrow confines of Britain."

Assumptions

I must apologise for this quotation — not its content, with which I heartily agree, but its authorship. I wrote it myself 13 years ago in an article in the Daily Herald (of which I was then Common Market Correspondent) in answer to one by Mrs. Barbara Castle. I turned up her diatribe and my own the other day in order to try to pin down what it was that I felt had changed about the argument since those far-off days when Mr. Harold Macmillan was in Downing Street, Mr. Hugh Gaitskell was leading the anti-Market crusade and the Watt waistline was several inches smaller. The yellowing cuttings, like all such ephemera, give off their own special smell of sadness and decay, but there is an additional lugubrious quality about a walk down this particular Memory Lane that I find both depressing and instructive.

For one thing, both "pros" and "antis" made certain automatic assumptions about Britain's power and influence in the world. Mrs. Castle's pitch—to which almost the whole of her article was devoted—was the question of the Commonwealth. She really believed that the Commonwealth was a viable alternative and she was, to do her justice, prepared to make sacrifices in order to see that it remained one. I remember her pounding her fist at me over a Brussels restaurant table, and shouting, with some justice, that I had no right to talk about the Commonwealth until I had had to defend the import of cheap Commonwealth textiles, as she had, on a street corner in her Blackburn constituency.

These perspectives have almost completely disappeared. I heard Mr. Harold Wilson tell a Yorkshire audience last Tuesday that "the Commonwealth is an important issue in this campaign," but there was no flicker of response from his Labour listeners for what was patently little more than a pious platitude. Even the Prime Minister was obviously far more excited by the new cliché about his discussions with "tough" Common Market heads of government, than with the old cliché about Britain's leadership of a worldwide multiracial grouping.

But this is only one aspect of a fundamental change affecting both sides of the argument—and one which is as glaring from a glance at my 1962 article as from Mrs. Castle's. My tell-tale phrases—"a leader of world opinion," and "a stabilising democratic influence in the Western world" imply a degree of power and still more of self-confidence in Britain that scarcely figure at all in the present campaign. Mr. Edward Heath, whom I followed in Lancashire earlier this week, talks in terms of "extending Britain's influence in the world" and even of the "controlling interest" (a most revealing phrase) which membership of the Community would confer on us.

Churchillian

This, of course, is the essence of the Churchillian conception of European integration (vintage 1948) and the Macmillan conception (vintage 1961). Britain faced the loss of an Empire, and could not rely indefinitely on her special relationship with America as a substitute: very well, she would assume the leadership of another grouping. But, here again, this has become a highly eccentric proposition. The normal assumption on the pro-Market side is that Britain can play some part (no more) in the construction of a new Europe, and on the anti-Market side that in staying in we shall be entirely swamped.

The most striking—indeed terrifying—aspect of the whole referendum campaign is apparent here. The heart of the argument is no longer the question of whether Britain can "best realise her full potential" in the EEC or as head of a multi-racial Commonwealth. It is not even a question of whether certain trading or political arrangements suit us better or worse. The fundamental argument now turns on whether we are more likely to survive at all within the Common Market or without.

> '. . . while to my mind it is better that Britain should stay in in a mood of sullen fear than she should not stay in at all, the outlook for the Community, as well as for Britain's role in it, will be pretty miserable for a long time to come.'

The anti-Marketeers—and it is by far their most effective argument—say that we are in such a bad state that we must face a long period of convalescence in a kind of economic sanatorium. The cold shower of Common Market competition will kill us off. The pro-Marketeers reply that there is no such thing as a real sanatorium these days; and that any attempt to build one would be frustrated by the withdrawal of Arab finance and the retaliation of American and Continental demolition gangs. An alternative, and to some extent contradictory set of Arguments, is represented by the anti-Market belief that we shall never summon the resolution to put our own house in order unless we are obliged to do it on our own; and the pro-Market report that we need the assistance which membership of the EEC will provide.

In either case it is common ground between the two sides that the EEC is either a lifeline or it is a competitive jungle in which we shall be lucky to survive. The idea that it is an organisation which is going to be, to a large extent, what we consciously help to make it is not a notion that is being promoted.

This fact naturally introduces the other glaring difference between the discussion of 1962 and the argument to-day. There is, so far as I have been able to detect, terribly little positive enthusiasm in this country at present either for staying in Europe or for coming out. The arguments are negative ones. The price of food will go up (no it won't!); unemployment will rise (rubbish!); the Commission will usurp the role of Parliament (ridiculous!). Idealism of any kind does not enter into the equation and there is neither zest nor vision in most of what is being said on platforms up and down the country.

Why this should be so is really the central puzzle of the campaign. It is not as if emotional arguments were lacking, even on the anti-Market side. Admittedly the Commonwealth and EFTA do not look frightfully inspiring alternatives to the EEC. But something could surely be done on Land of Hope and Glory lines to paint a picture of a country whose distinctive features were so valuable and unique that almost any sacrifice was worthwhile to preserve them. This is a note which many Conservatives used to strike 13 years ago but hardly any are striking to-day.

Public mood

More distressing still is the failure of the pro-Marketeers to preach a positive creed. One can understand the reasons, of course. Practical politicians naturally tend to take their tune from what they conceive to be the public mood, and the present British mood is one of fear. Tactically speaking, therefore, there is a good deal to be said for cashing-in on this phenomenon and demanding support for the status quo — which is now British membership, whereas before it was British non-membership. The kind of thing I was writing in 1962 about European federalism and the prospect of direct elections to a European Parliament are entirely out of tune with the majority of British opinion at present (though not with mine), and one can hardly blame pro-Market speakers for not venturing onto this treacherous ground.

It also has to be admitted that a lot of the idealism has drained out of the Community on the Continent. The French veto and the prolonged haggle over the British question, to say nothing of bureaucratic arthritis, and perhaps even the enlargement of the Market, have had the effect, for the present, of reducing the whole enterprise to something not much more than the minimalist conception allowed by General de Gaulle himself. Public opinion in France and Germany apparently tends to regard the EEC as a humdrum fact of life—moderately useful, moderately boring.

And yet it is a far cry from this pragmatic acceptance, unenterprising though it is, to the present tendency of most British politicians to sell the Common Market almost exclusively on the general basis that "out of the Community our future would be grim." Personally I believe that this is true. But it is not the whole story and there are serious dangers from concentrating upon it to the exclusion of any long-term idea of the Community's potentialities. For one thing, fear is an uncertain and double-edged weapon. For another, there are classes of people, particularly the young, for whom some kind of vision is by far the most convincing framework of arguments. I saw Mr. Heath having a fairly rough ride at Lancaster University the other day on the question of whether he would or would not accept the verdict of a referendum. But a notoriously Left-wing audience of students listened to him in silence and with respect while he expounded his views on the EEC, precisely because, I suspect, he is one of the few politicians who is still talking with the idealism of the fifties and early sixties.

Miserable

The other point is that we have to live in the Community even after the referendum is over, and while to my mind it is better that Britain should stay in in a mood of sullen fear than that she should not stay in at all, the outlook for the Community, as well as for Britain's role in it, will be pretty miserable for a long time to come. I am prepared to believe (which is one reason I favour staying in) that our self-confidence is more likely to be restored and our political life lifted out of its present gloom if we are inside rather than out. But the Community's ability to help us to help ourselves will be powerfully influenced by our frame of mind at the moment when the die is cast.

Some of the reasons I offered in 1962 for joining the Market are no doubt a bit hollow at present ("a stabilising democratic influence in the Western alliance"). But they are still the main reasons why I shall vote "Yes" next Thursday. And to these I would even add, unashamed, the grandiloquent sentiment of my younger self: "To share, to co-operate, to pull down barriers and build a new structure from the shreds of a thousand years of war—that is a tremendous and inspiring aim worthy of any idealist."

Letters to the Editor

Scientists' votes

From the Chairman, the Council of Science and Technology Institutes, and others.

Sir,—The referendum is clearly of great importance to all professional scientists and technologists. Science and technology have long been international in character and Britain's membership of the Community has been helping professional bodies in the U.K. to discuss more closely with their European counterparts the problems of ensuring adequate recognition of professional qualifications throughout the Community.

If Britain were to withdraw, these discussions would naturally end, and the position of British nationals and British companies dealing with the Community on technical matters could well be affected in a most unsatisfactory way.

We therefore appeal to scientists and technologists to recognise the importance to themselves of Britain's remaining in the Community when they come to placing their vote in the referendum.

F. A. Robinson, Chairman, CSTI.
W. E. Duckworth, President, Institution of Metallurgists.
A. B. Pippard, President, Institute of Physics
C. Kemball, President, Royal Institute of Chemistry
Sir John Rodgers, President, Institute of Statisticians.
K. Mellanby, Past President, Institute of Biology.
P. G. Wakely, Past President, Institute of Mathematics and its Applications.
H. T. Hookway, President, Institute of Information Scientists.
47, Belgrave Square, London, S.W.1.

A pro-Market Mr. Benn

From Mr. Peter Tumiati.

Sir, I have come across a copy of the official minutes of a speech Mr. Anthony Wedgwood Benn made here in Rome in 1967. Mr. Wedgwood Benn was the guest of honour and speaker at a dinner on November 21, 1967, given by the Rome section of the Associazione per il Progresso Economico, which is modelled on the Rotary Club. At that time Mr. Wedgwood Benn was Minister of Technology and an ardent supporter of Britain's entry into the Common Market. As you will see from the minutes, which I enclose, Mr. Wedgwood Benn proclaimed the absolute necessity for Britain's entry.

Let me quote what he said: "I will not speak again on this occasion in favour of the admission of Great Britain into the Common Market. I will not do so only because the case speaks for itself and needs no strengthening from me. Let us be frank. The Six need to enlarge themselves into a vaster Community with Great Britain in it just as Great Britain needs to find its place in an enlarged Community. Individually as nations or divided between the Six and the Seven, Europe will condemn itself to industrial dependence on the superpowers unless it finds an international structure sufficiently large to allow it to develop its great potential."

There was a lot more, equally in favour of Britain's entry. Perhaps Mr. Wedgwood Benn has forgotten that he made this speech and that a record of it still exists.

By the way, those present at the dinner (about 70 people) included the Minister at the British Embassy, Mr. Scott, and members of the Italian Government.

In 1967 the possible effects on British sovereignty of the Treaty of Rome did not seem to trouble him. Steadfast views are not a characteristic of most politicians. But those of Mr. Wedgwood Benn have undergone a remarkable change.

Peter Tumiati,
Via della Mercede 55, Rome.

Sovereignty confusion

From Mr. R. A. Boatman.

Sir,—Pro- and anti-Marketeers are still talking at cross purposes over the sovereignty question.

Sovereignty as envisaged by the pros is simply the power to "clout." Such sovereign powers obtain in any state, democratic, totalitarian or Communistic. The bigger the bloc you join, the greater your collective clout.

To the antis, sovereignty means the ability of a people to retain full control of its own affairs in a democratic sense. Thus our elected government should be responsible to the electorate for the making and annulling of all laws. No authority outside our elected Parliament should have the power to override parliamentary laws, as is the case with Common Market law.

From this it can be seen that, whereas the Pros wish to be in the EEC because it increases our collective bargaining and trading power, the antis do not want to belong because it devalues our vote and our parliamentary democracy.

The question for June 5 is, therefore: under which set of conditions will Britain thrive best—with more clout and less democracy, or vice versa?

If we already have too little democracy and too much governmental control, then the answer to Britain's quest for a role cannot be EEC membership.

R. A. Boatman.
Hill View, Highgate Road, Forest Row, Sussex.

The foundry industry

From Mr. V. Kondic.

Sir,—The central theme of your article (May 20) dealing with the current state of the foundry industry is that this industry needs capital investment to correct its downward trend. Such an action alone, seems to me, does not go to the core of the problem.

The state of health of a particular industry could be considered in economic, technological and social terms. A healthy industry should be financially effective, technologically up to date and should meet its social objectives. One of the reasons which has contributed a good deal to the parlous state of the foundry industry, and indeed of some other metallurgical industries, can be sought in our educational system. For several decades now, this has, and still does, encourage education and research in the science of metallurgy and pays far less attention to metals technology.

The belief that science orientated education achieves equally good results for educating both scientists and technologists at the same time, although disproved in several industrial countries, is still held very strongly by people who influence major educational decisions in this country. The truth is that the education of technologists, while based on science at the start, at a certain level of knowledge should be treated as an educational discipline of its own. Churchill had a vision about the relevance of technological education for the economic future of this country, but his vision was fudged in its execution by the scientists in the same way as scientists are doing precious little which will help the foundry industry at the present time.

Finally a small correction on the implication of your article that foundry processes are arduous and unpleasant. They are only so if we make and operate them in that manner. Working conditions in a foundry could be as good as those in most other metal processing industries.

V. Kondic.
Department of Industrial Metallurgy University of Birmingham.
P.O. Box 363, Birmingham.

Asymmetrical performance

From The Hon. Professor of Economic Theory, University of Kent.

Sir,—Mr. Joel Stern's piece on convertibles (May 16) will have convinced few Financial Times readers, and certainly none who has made a study of convertibles. A convertible is not just something midway between subordinated debt and an Ordinary share on a risk map. It is a stock with special characteristics, the most significant of which is asymmetrical upside and downside performance.

It is a commonplace of warrant and convertible theory that in conditions of uncertainty this kind of asymmetry is worth paying something for. Moreover, the benefit is not only subjective. The asymmetry can be exploited by the simple tactic of buying more than one convertible. Then, if some of the corresponding Ordinary shares go up and others go down, the value of the convertible collection as a whole will rise, even if the average performance of the Ordinary shares has been static.

If the investors who dominate the world stock markets were really of the same mind as Mr. Stern, then I for one would know where that free lunch was to be obtained. But I suspect that they have in fact a good deal more financial astuteness and sophistication on the subject of convertibles than he gives them credit for.

Charles Kennedy.
Eliot College,
University of Kent,
Canterbury, Kent.

Council pay

From Mr. J. Hill.

Sir,—I wish to take up the cudgel on behalf of the 400,000 local authority staff following the statement accredited to Mr. D. Grant, North Regional Chairman of the CBI that "high wage awards to local authority staffs have adversely affected industry in the north."

Perhaps Mr. Grant would be so kind as to itemise these high wage awards for me, as I do not appear to have received any of them. NALGO, the local authority workers' union, has repeatedly accepted, or been forced to accept, pay awards well below the national norm for comparative classes of workers. Local authority spending is always the first to suffer in times of severe economic recession, and perhaps rightly so. But even to maintain services at a reduced level requires staff, and those staff must eat.

Since 1971, pay awards for NALGO members have been, to say the least, niggardly. For example, an officer on a salary of £2,199 on July 1, 1971, finds himself now receiving £3,201, an increase of 45 per cent. in four years. This can hardly be classed as competitive when one considers that the pay awards to teachers and civil servants average 29 per cent. and 28 per cent. respectively during 1974-75 alone.

The salary award gained by NALGO for accountants, statisticians, economists, etc., from July 1, 1974, the last increase, amounted to 13 per cent. at its highest level, tapering down to 11 per cent. for those at the top salary level. Those represented the largest percentage increase ever achieved by NALGO but hardly compare with the accepted 20-25 per cent. norm for pay awards during last year, or even an inflation rate of 21 per cent.

Statements like Mr. Grant's are pure mythology, and I respectfully suggest that if all other pay awards had been limited to an average 11.25 per cent. a year over the last four years, as is the case with local authority staff, this country might not be on the brink of economic disaster.

J. Hill.
26, Canberra Road, Marton, Middlesbrough, Cleveland.

Not so keen executives

From Mr. H. Bohrer.

Sir,—"Observer" (May 21) reports a Wickert Institute finding that the average German likes working—something we have suspected all along—and that almost three-quarters of a poll sample rejected the idea of giving up work even though continuing to receive the same income.

Executives, however, do not seem to be so sure. Earlier this year the Hamburg-based business monthly "Manager Magazin" published a 100-page documentation "Unternehmer and Manager" for which the Ifak and Interlogic institutes researched a managerial and enterpreneurial universe of 1.2m. men, classified into five groups according to authority, function and income (from DM40,000 to DM100,000 per annum).

The inquiry covered position, education, track record, decision-making, status indices as well as a wide range of attitudes. A sample of 1,261 businessmen were asked whether they would give up work if their current standard of living could be guaranteed. The answers, in percentages, were: Certainly 19, probably 20, probably not 28, and only 32 certainly not.

Top management group replies correspond closely to the average. Keenest on giving up (45 per cent. "certainly" and "probably") was the lowest of the five groups, those who perhaps had not made it, had given up hope of ever making it, or wondered whether it was worthwhile to persevere. Keenest to go on were group II, making DM60,000 per annum, and knowing that their next promotion would land them in the top, group I. Their replies were: certainly 16, probably 14, probably not 26, and a full 43 certainly not. Obviously to travel hopefully is a better thing than to arrive.

Harry Bohrer.
6, Museum House, Museum Street, W.C.1.

To-day's Events

GENERAL

National Union of Railwaymen executive considers rail pay arbitration award.

National and Local Government Officers Association have pay talks on their 35 per cent. claim.

Mr. Roy Jenkins, Home Secretary, speaks at Police Federation conference, Blackpool.

NATO summit meeting continues. Brussels.

International Air Show continues, Le Bourget, Paris.

Mr. Dom Mintoff, Prime Minister of Malta, begins four-day Middle East tour.

Queen presents new colour to Royal Air Force College, Cranwell, Lincs.

COMPANY RESULTS

Charterhouse Group (half-year).

COMPANY MEETINGS

Bell (Arthur), Perth, 12.15.
Eagle Star Insurance, 22, Arlington Street, S.W., 12.
Evered, Birmingham, 12.
Fothergill and Harvey, Manchester, 12.30.
Home Charm, Great Eastern Hotel, E.C., 11.
LCG, 31, Pall Mall, S.W., 4.
Liberty, 210, Regent Street, W., 12.
Lyon and Lyon, Knottingley, 12.15.
Mettoy, 374, Euston Road, N.W., 12.
Modern Engineers of Bristol, Bristol, 12.
North British Canadian Investment, Edinburgh, 10.45.
Ready Mixed Concrete, Dorchester Hotel, W., 12.
Sandeman (Geo. G.), Connaught Rooms, W.C., 12.
Sharna Ware, Manchester, 12.30.
Smith (W. H.), Strand House, Portugal Street, W.C., 12.

MUSIC

London Bach Orchestra, conductor Martindale Sidwell, performs works by Bach, Baines, Britten, Vivaldi, Queen Elizabeth Hall, London, 7.45 p.m.

Richard Deering (piano) plays music by Soler, Bach, Arnold, Szymanowski and Liszt, Purcell Room, London, 7.30 p.m.

COMPANY NEWS + COMMENT

Robertson Foods ahead to £2.1m.

TAXABLE PROFITS of Robertson Foods improved from £1.94m. to £2.11m. in the year ended March 31, 1975, after being up from £550,000 to £735,000 in the first six months.

The profit—struck after aggregate interest charges up from £544,000 to £960,000—was achieved from a turnover of £41.84m., against £32.79m. Earnings per 25p share are stated to be up from 8.64p to 9.79p.

The net dividend total is raised from 3.92p to 4.27p, with a final of 3.22p.

Chairman Mr. R. C. Robertson, says the results have been achieved despite exceptional increases in the cost of sugar and the inability under the Price Code to recover these by the year-end in higher selling prices.

Group borrowings show only a marginal increase over those of last year, despite continuing high inflation and the costs of the reorganisation. The reorganisation, is nearing completion, and has progressed very satisfactorily, members are told.

Negotiations for the sale of properties no longer required are progressing and expected sales proceeds should be considerably in excess of reorganisation costs incurred. This will further help to reduce the level of borrowings, and bank interest payable.

In view of political uncertainties in Cyprus the directors have taken the precaution of fully writing-off the investment there. In addition, the cost of the shares in the German subsidiary which has also ceased trading, has been written down to a realistic level, says the chairman.

While in the present climate it is difficult to make predictions, he is confident, subject to any dramatic unforeseen circumstances, that profits should be more than maintained.

	1974-75 £000	1973-74 £000
Group turnover	41,817	32,796
Trading profit	3,071	2,483
Debenture interest	210	210
Other interest	750	334
Profit before tax	2,111	1,939
U.K.	1,725	1,669
Overseas	386	270
Taxation	1,076	1,072
Net profit	1,035	867
Exceptional loss	45	5
Minority	61	39
Preference dividends	34	28
Ordinary	397	362
Extraordinary items*	812	—

*Extraordinary items (after tax relief) which will be covered by a transfer from reserves, includes the costs of reorganisation of £628,000, a special payment to the group's pension schemes of £69,000 and the writing down of investments in overseas subsidiaries of £115,000.

● comment

Robertson is 9 per cent. ahead pre-tax with the second half holding just about level. Over the year sales have risen more than a quarter, which implies some reasonable volume growth. High sugar costs have led to consumer resistance in jams but canning (fruit and vegetables) and cereals have been buoyant enough, increasing their share of group turnover substantially since the 33 per cent. of 1973-74. Robertson is over its reorganisation pressures and raw material costs have levelled out with the prospect of lower sugar prices later this year (the group consumes something like 40,000 tons annually). Group borrowings have been held successfully in check, and the forecast is for another growth year in 1975-76. At 83p a yield of 8.2 per cent. is covered more than twice.

INDEX TO COMPANY HIGHLIGHTS

K Shoes progress foreseen

Announcing profit before tax up from £1,043,000 to £1,327,000 for the half year to March 31, 1975, the chairman of K Shoes, Mr. J. D. Younie, forecasts that results for the full year should finish ahead of last year's £2.25m.

In his annual statement in January he said that the year had started well and it was not improbable that profits would rise again in 1974-75.

The interim dividend is up from 0.6p to 0.77p net. Last year's total was 1.02p.

	Half year 1974-75 £	1973-74 £
Group profit before tax	1,327,000	1,043,000
Tax	719,000	553,000
Profit after tax	608,000	490,000
Dividends	121,065	95,369

Mr. Younie states that with retailers reducing stocks to conserve working capital, and the public having to pay so much more for a pair of shoes than a year ago, trade in general has not been brisk.

In spite of this the company has maintained volume. Factories have enjoyed the freedom from fuel crises, and profits are now running ahead of last year.

● comment

K Shoes' profit advance of 27 per cent is enhanced by comparison with a depressed period, but even so the company has put up a fair performance at 9 per cent. above the previous six months. K's strength lies in its appeal to the more consistent shoe buyers, and its lack of involvement in the fashion market (only a fifth of its women's shoes are aimed at the under-30 age group). Nevertheless, the company is not completely insulated from the sector's problems—lower demand and cheap imports—yet it may well out-perform the average this year. Second half profits may slip £100,000 to leave the year around £2.4m. (£2¼m.) pre-tax, which would give cover of over 3½ times to a maximum prospective yield of 6.4 per cent. at 51p.

Ley's jumps £0.9m. at halfway

PRE-TAX profit of Ley's Foundries and Engineering jumped £893,332 to £1.38m. for the six months ended March 31, 1975.

The interim dividend is held at 1.05p net. Last year's total was 2.45p from profits of £1.12m.

The directors say that Ley's Malleable Castings, the largest subsidiary, normally earns a lower profit in the second half due to a reduction in output during the summer holiday periods. The present difficulties in the motor industry, which have been aggravated in recent weeks by strikes, are seriously affecting the profitability of this company.

It is anticipated that the profits of the other two subsidiary companies, Ewart Chainbelt and W. Shaw will show an improvement in the second half.

	Half-year 1974-75 £	1973-74 £
Turnover	[illegible]	7,975,000
Profit before tax	1,379,183	[illegible]
Taxation	716,000	232,536
Net profit	[illegible]	[illegible]
Preference dividends	30,975	30,975
Attributable Ordinary	[illegible]	[illegible]
Interim dividend	[illegible]	102,930

● comment

A substantial improvement in output was just what Ley's needed to get margins up to a more realistic level: a 64 per cent. increase over the 1974 figure, which was affected by the three-day week, has pushed margins up some 4½ points to 10.5 per cent. and left first-half profits already in excess of the previous year. The second half last year, however, saw strong recovery and the current period is being severely hit by strikes in the motor trade on top of a fall-off in demand. Short-time working has now been forced on the company and prolonged strikes will further depress what is already going to be a very tough six months. Still, the shares have the support of a 10 per cent. yield at 37p and an exceptionally strong balance sheet.

£3.3m. rise for Intl. Paints

WITH GROUP sales up by 33 per cent. to £129.01m. pre-tax profit of the International Paint Company rose from £7,143,000 to a record £10,496,000 for the year to March 31, 1975.

At halfway, when profit was up from £2.92m. to £5.78m., the directors said that results for the full year would show some improvement.

Stated earnings per £1 share are up from 36.1p to 64.6p and the final dividend is 5.758p net, which raises the total from 7.481p to 8.132p. IP is a subsidiary of Courtaulds.

Trading profit (up from £7.65m. to £11.16m.) showed no increase in the U.K., the whole of the increase being attributable to overseas operations, the directors state.

	1974-75 £000	1973-74 £000
External sales	129,009	96,926
Trading profit	11,162	7,650
Interest (net)	666	507
Profit before tax	10,496	7,143
Tax	3,612	3,211
Profit after tax	6,884	3,932
Minority interests	937	606
Attrib. Ord.	5,947	3,324
Dividends	749	668
Retained	5,199	2,656

● comment

Although International Paint's interim profits were almost doubled before tax the group anticipated that conditions would be far more difficult in the remainder of the year and a pre-tax rise of just 12 per cent. in the last six months seems to bear this out. Demand dropped to a low level throughout the group but particularly on the marine paints side (about a third of total profits), where the worst may be still to come. The supply difficulties experienced earlier in the year have eased but the group is now meeting price resistance in many overseas markets and some reduction in current year profits seems inevitable. However, a strong liquid position has apparently been maintained—borrowings in 1973-74 totalled £2.8m. net against funds of £20.8m.—and with Courtaulds holding an 87 per cent. stake in the equity IP must be better placed to surmount current difficulties than some of its independent competitors. At 165p the shares are yielding 7.8 per cent.

'Extel' falls by £829,000

A FALL in taxable profit from £1.81m. to £984,000 is reported by Exchange Telegraph Company (Holdings) for the year ended March 31, 1975.

At half way when reporting profits down from £1.07m. to £630,000 the directors said that profits were not likely to be any greater in the second half than in the first.

The principal reason for the lower profits was a marked fall in profitability by Burrup, Mathieson, the financial, legal and commercial printers, due to the depressed state of the City. Profits of "Extel's" racing news services also declined sharply.

They now say that the recovery in the City market has resulted in improved trading for the group during the first two months of the current year.

Earnings per 25p share are shown at 5.5p (10.1p). The dividend is maintained at 4.04775p with a final of 2.67p.

	1974-75 £000	1973-74 £000
Group turnover	12,442	[illegible]
Profit before tax	984	1,813
Tax	497	717
Net profit	487	[illegible]
Extraordinary debits	*176	*479
Dividend	[illegible]	159
To reserve	[illegible]	4,170

*Profits on sale of lease and a subsidiary company in 1974. Items for redundancy and other payments in respect of the reorganisation of printing capacity.

● comment

Exchange Telegraph's 45½ per cent. fall in 1974-75 pre-tax profits stems from a downturn of £438,000 at the Burrup Mathieson printing subsidiary and a £248,000 drop in the sporting and financial news services contribution. On top of this, investment income fell by £89,000 to £115,000, reflecting a significant change in the group's liquidity position in the last few months. In the 1973-74 balance sheet the group showed a credit balance of £2.4m. but following increased investment in Robophone and Extel-PA this has now changed into a debit of £400,000. Both of these interests are expected to make considerably higher profits in the current year while the slide in demand from bookmakers and the City now appears to have halted. However, a full recovery looks a two-year haul at least and the shares which at 78p yield 8.3 per cent. could still be vulnerable.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amal. Power Engineering	2	July 29	1.71	3.05	2.82
Matthew Brown ......int.	0.83	Aug. 8	0.80	—	2.63
Caird (Dundee)	0.97	July 25	0.92	1.95	1.80
Capper Neill	1.18	July 8	1.07	2.38	2.19
Caravans Intl. ......int.	nil	—	0.7	—	0.7
Churchbury Estates	2.15	—	1.88	3.47	3.19
Coats Patons	nil	—	1.72	0.9	2.62
Courtaulds	3.76	July 23	3.44	5.59	5.15
Geo. Doland	1.14	Aug. 14	1	1.14	1
Exchange Telegraph	2.67	July 25	2.67	4.05	4.05
Federated Chemicals	1.65	—	1.53	2.75	2.53
Freshbake Foods ......int.	0.13	July 23	0.18	—	0.18
International Paint	5.76	Aug. 6	5.28	8.13	7.48
K Shoes ......int.	0.77	Sept. 8	0.6	—	1.92
Ley's Foundries	1.05	July 1	1.05	—	2.45
Malton Inv. Tst.	5.99	July 25	4.69	8	6.79
Morland & Co. ......int.	3.5	June 28	3.5	—	9.49
Portsmouth & Sunderland	1.47	—	1.47	2.35	2.35
Robertson Foods	3.22	—	2.87	4.27	3.92
Scott & Robertson	0.78	—	0.72	1.53	1.41
Smart (Contractors) int.	1.26(a)	June 30	1.12	—	4.13
William Press	0.83	—	0.77	1.1	1.01
Wheatsheaf	2.93	July 11	2.53	4.48	4.13

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) Gross throughout.

Upsurge at Capper Neill

THE MATERIAL increase in profit foreshadowed by the directors of Capper Neill turns out to be from £807,177 to £1.41m. at the pre-tax level for the year ended March 31, 1975. Earnings are stated to be up from 4.1p to 7.46p.

Virtually every company in the group has improved upon its previous year's performance and contributed towards this record achievement, the directors state. During the year the company has substantially increased its involvement in overseas markets.

In the current year, they expect a further increase in profit.

The dividend is raised by the maximum permitted—from 2.192p to 2.3758p net, with a final of 1.1758p.

Principal activities of the group are the design, manufacture and erection of pipework, storage and process plant for industry.

	1974-75 £	1973-74 £
Group turnover	26,028,083	19,753,942
Trading profit	1,630,584	992,573
Interest payable	222,440	185,396
Profit before tax	1,408,144	807,177
Taxation	651,100	387,866
Net profit	757,044	419,311
Minorities	—	2,539
Take-over costs	—	32,642
Capital gains on sale...	39,743	—
Available	796,787	384,132
Dividends	241,264	222,841

● comment

Capper-Neill has produced a strong second half, showing pre-tax growth of 80 per cent., to leave the year 75 per cent. ahead overall. A better quality of contract is reflected in trading margins, wider by over a quarter, and good progress in Pipe Services has been supplemented by rapid growth on the International side—exports account for the bulk of a sales increase of 30 per cent. Contracting still accounts for the major part of profits, but on the fabricating side there are signs of life as North Sea work moves into profit, although no attempts have yet been made to enter the field of module work. The prospect of further growth, particularly from overseas, is a prop for the shares, which have been a firm market throughout the year, and at 49p yield 7.3 per cent.

Freshbake back in profit

Announcing a pre-tax profit of £4,320 for the six months to March 31, 1975, against a loss of £49,682, the directors of Freshbake Foods say that provided the economic state of the country does not significantly worsen, the company will maintain the upward profit trend leading to a further improvement in the second half.

Interim dividend is down from 0.175p to 0.125p net. There was no final dividend in the year to September 30, 1974, when there was a pre-tax loss of £96,082.

As with the previous first half, there is no tax charge. Sales were up from £2.03m. to £2.33m.

Over £3m. for Wm. Press

SECOND HALF profits of William Press and Son have come out at £1.88m., to give £3.15m. for 1974. This compares with £1.26m. previously, after a first half loss £0.49m.

This year's profit includes £194,000 exceptional credits, against £374,000. No U.K. tax will be payable on 1974 profits, the charge representing tax deferred by stock relief and capital allowances.

Earnings are shown as 3.05p (2.03p) per 5p share; the dividend is stepped up from 1.01p to 1.1p net with a final of 0.83p.

	1974 £000	1973 £000
Turnover	86,000	77,000
Profit before tax	3,153	1,262
Taxation	1,744	343
Net profit	1,409	918
Minorities	43	13
Dividends	566	488

● comment

Adjusting for losses of £1.75m. at William Press' Howdon yard in 1973 and excluding exceptional credits, pre-tax profits are 12 per cent. ahead; the bulk of this stemming from overseas operations, mainly in the Middle East. The volume of U.K. orders from the group's customers in the gas and petrochemical industries has not been quite up to expectations, but this has eased working capital pressures and a good flow of cash and progress payments has strengthened the liquidity position. At Howdon, where development costs were written-off in 1972, the seven loss-making module contracts have now been completed, and the current workload, of a similar amount, could yield some profit by the end of the year. The share price has trebled so far this year to 30p, where the yield is 8.7 per cent., but then the group's prospects are better than for most engineers.

Ldn. Interstate Bank

Following yesterday's report in the Financial Times on indications of the extent of financial involvement of financial institutions in the property empire run by Mr. William Stern, London Interstate Bank has made a statement on its own position. The report was drawn from documents outlining a Scheme of Arrangement for a moratorium for most of the Stern group.

Stating that yesterday's report correctly points out that the LIB may or may not be creditors for some £8m., it added that in 1973 it participated in a secured foreign currency loan to one of the companies of the Stern group, to the equivalent of £3.5m.

LIB added that its loans to customers involved in property transactions, where it is dependent solely on the property as security, "form but a modest part of our total lending." The bank will shortly publish its accounts for the year to March 31, 1975, showing a "small net profit," it was stated.

ISSUE NEWS

Assocd. Engineering growth and rights

REPORTING pre-tax profits up from £3m. to £5.56m. on sales of £101.3m. against £78m., in the half year to March 31, 1975, Associated Engineering—the Midlands motor components and engineering group—announces a rights issue to raise £7.86m.

It also forecasts a full year pre-tax profit of some £13m., against £9.2m. in 1973-74, and said that on this basis the Board intended to recommend a final dividend of 2.66p net, raising the total on the existing capital from 3.36p to 3.66p.

The total is equivalent to 5.63p a share gross, which represents a yield on the new shares to be issued under the rights of some 13 per cent. The directors have declared an interim of 1p a share net (0.92p).

Chairman, Mr. H. R. Moore, feels the results can be more meaningfully compared with the £6.2m. pre-tax earned in the six months to September 30, 1974 (when sales totalled £85.9m.) because of the three-day week operating in the opening months of 1974. The after tax profit was £3.1m. (£1.3m. and £2.7m. respectively in the two halves)—the tax charge being proportionately lower because of a "substantial reduction" in losses in France, where the turnround was from a loss of £360,000 to a £200,000 profit, in both cases before interest of some £250,000.

The position of Wellworth, in the diesel engine division, has improved and efforts are being aimed at catching up on the backlog created by extra demand in the diesel engine field due to a continuing switch from petrol engines worldwide. Edmunds Walker, in the replacement parts divisions, is doing substantially better, having been helped by some modification in the price rules.

In a detailed document outlining the half-year results and terms of the rights issue, Mr. Moore says of raising extra capital that the Board believes a number of opportunities are available to improve group profitability through selective investment, particularly to support extra growth expected in the diesel engine market and to continue expansion of bearings business into general industrial and marine fields. It is therefore considered prudent to broaden the company's equity base and improve its capital structure.

Terms are one new share for every three held at 48p each. Yesterday's closing price was 60p, up 5p. Subscription monies will be payable in full on acceptance, not later than 3 p.m. on June 23. The issue is open to shareholders registered May 16, with new shares not ranking for the interim dividend. The issue is being underwritten by Hill Samuel. Expenses will amount to some £255,000.

Board changes were also announced. Mr. Colin Hepworth is to retire as chief executive, but is to take over as chairman and chief executive of the South African Associated Engineering (SA).

Mr. Hepworth is to be succeeded by Mr. J. G. Collyear, currently chairman and managing director of the Glacier Metal subsidiary and managing director of the bearings division.

Statement page 23
See Lex

W. SELECTION

Western Selection and Development announces that of the 1,858,675 shares offered by way of rights on the basis of one for three at 23p, 1,695,594 (91 per cent.) were taken up. The balance of 163,081 shares are to be allotted by way of excess applications. The basis of allotment is—Application of up to 300, allotted in full; 301 to 1,000, allotted 300; 1,001 to 10,000, allotted 500; 10,001 to 50,000, allotted 1,000; 50,001 and above, allotted 2,000.

UNIT TRUSTS

CRESCENT INTNL.

The Crescent International Plan is being advertised by Crescent Life Assurance Company—part of the Edinburgh-based American trust group which manages £80m. of investment trust funds. The plan is basically an open-ended life assurance policy with a £5 per month minimum premium requirement. It is based on the Crescent International Fund, which is invested on a world-wide basis. The fund was launched in July, 1970, and has achieved a 66 per cent. rise during this period against a 1 per cent. fall in the FT Ordinary Index.

● comment

The Crescent International Plan is one of the relatively few policies which are based on a genuine overseas fund with a track record. The fund has had its bad moments but has recovered with the general upturn in world markets. In any case, it is for the long term and its attraction really rests on whether the investor reckons that an international spread will pay off better than being locked into the U.K.

See Lex

Better second half for Amal. Power

AFTER A decline from £1.24m. to £826,000 at half-way Amalgamated Power Engineering announces a fall in pre-tax profit from £2.3m. to £1.7m. for all 1974. Interest charges increased from £177,832 to £399,969.

Earnings are given at 8.61p (12.19p) per 25p share and the dividend is raised from 2.81728p to 3.05476p with a final payment of 1.99951p net.

	1974	1973
	£	£
Turnover	30,527,000	29,143,000
Trading profit	1,990,259	2,367,342
Interest & other income	113,760	106,989
Making	2,104,019	2,474,331
Interest charges	399,969	177,832
Profit before tax	1,704,050	2,296,499
Tax	789,377	1,013,231
Net profit	914,673	1,283,268
Minorities	28,144	28,602
Available	886,529	1,254,666
Retained	*571,958	964,733
Dividends	314,571	289,933

*Of which £135,673 (£119,337) is for replacement costs.

The company manufactures steam turbines, diesel engines, etc.

● comment

The incidence of contract completions has meant unchanged second half profits at Amalgamated Power after the drop of 30 per cent. in the first six months, but the burden of interest charges has yet to be checked. In the past, progress payments helped APE to finance work in progress but the effects of inflation on a very long work cycle has resulted in significant bank borrowings; at the year-end work-in-progress was some £4½m. higher but progress payments fell way below this figure leaving the overdraft at £2.6m. Borrowings are bound to rise even further this year but the position is expected to be checked in the closing months in consequence of a much shorter order book—partly by design and partly through some capital goods recession. The shares have a useful short-term buffer in a 10½ per cent. yield at 46p.

Morland

Brewers, wine and spirit merchants, etc., Morland & Company reports an improvement from £218,785 to £236,486 in profit for the half year ended March 31, 1975.

The interim dividend is held at 3.5p net per £1 share; total for the year ended September 30, 1974, was 9.497p from profits of £450,000.

The directors state that sales of the company's own draught beer have continued to improve although bottled beer sales are disappointing. With higher excise duties and the continuing increases in costs, forecasting final results as compared with last year is very difficult.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims: Allied London Property, Charterhouse Group, North British Steel, Northern Industrial Improvement Trust, Roan Consolidated Mines.

Finals: Bonas Webb, Cessnock Holdings, Consolidated Tea and Lands, Geers Gross, Normand Electrical, Teith Holdings, West Age Holdings, *Westpool Investment Trust, Witan Investment.

FUTURE DATES

Interims:—

Glos. & Cheltenham Greyhounds ... June 5
Greenfield Millets ... June 25

Finals:—

Associated Television ... June 26
Atlantic Shipping & Trading ... June 10
Bankers' Investment Trust ... June 3
Butterfield-Harvey ... July 8
Cook (William) (Sheffield) ... June 6
Henderson Kenton ... July 7
Rotaprint ... June 4
Second Great Northern Inv. Trust July 7
View Forth Investment Trust ... June 5
Westbrick Products ... June 3
Whiteley (B. S. & W.) ... June 5

* Amended.

Caravans forecasts a profit

DESPITE A first half loss of £363,000, against £472,100, and the new 25 per cent. VAT rate on touring caravans, the directors of Caravans International say they believe that the group will show a pre-tax profit for the year to August 31, 1975. In 1973-74 profits dropped from £2.47m. to £549,000.

It has been decided to postpone consideration of an interim dividend until the autumn. For 1973-74 there was an interim of 0.7p net but no final.

	6 months 1974-5	1973-4
	£	£
External sales	16,373,500	16,869,700
Group loss*	160,600	295,200
Depreciation	202,400	176,900
Loss before tax	363,000	472,100
Overseas tax†	176,400	45,200
Minority interests	78,900	40,100
Loss attributable	618,300	557,400

*After crediting share of profits of associate £92,000 (nil). † Includes associate taxation of £36,700 (nil).

In the first six months overseas manufacturing companies made higher profits than in the corresponding period of last year, but U.K. manufacturing companies continued to be hit by the market downturn and cost inflation, and they, together with European marketing companies, made substantial losses.

The benefits of the economies already made in U.K. manufacturing and European marketing operations are now beginning to be felt and further economies are under consideration, the directors state.

Wheatsheaf decline to £2.9m.

ON TURNOVER, ahead from £174.43m. to £227.26m., taxable profit of Wheatsheaf Distribution and Trading dropped slightly from £3,066,000 to £2,904,000 in the 12 months ended March 1, 1975.

After 28 weeks, when pre-tax profit was down from £1.31m. to £1.01m., the directors expected that the outturn for the full year would bear comparison with the previous year.

Earnings per 25p share for the year are shown to be down from 14p to 12.6p and the net dividend total is up from 4.13136p to 4.48038p—the maximum allowed —with a final of 2.93038p.

The company has interests in the wholesale and retail distribution of food and other goods.

	1974-5	1973-4
	£000	£000
Total turnover	227,258	174,430
Delivered wholesale	69,534	55,566
Trademarkets	125,496	99,673
Carrefour	21,924	11,120
Other retail	8,912	7,549
Shopfitting, Packing and Leisuretime	1,090	920
Group profit before tax	2,904	3,066
Taxation	1,623	1,663
Group profit after tax	1,281	1,401
Minorities	31	55
Extraord. debits	517	279
Attrib.	733	1,218
Dividends	408	431
Forward	3,920	3,038

● comment

Wheatsheaf's full-year figures are more or less in line with expectations, *after a depressed first-half* when profits fell 23 per cent. as the group adjusted margins to compensate for "excess" profit in the previous period and took in start-up costs of a new hypermarket. For the current year the group is aiming for a few points of real sales growth on top of inflation, and profit margins could well be held at the last six months' *1.8 per cent.* So, a 25 per cent. increase in sales value could push pre-tax profits as high as £4¼m. The outcome obviously rests on the rate of inflation, but a hefty profits growth looks a very fair bet. The 1p rise to 147p yesterday where the shares yield 4¾ per cent. and stand on a p/e of 11.4 is a rating below the average, which may soon be adjusted.

Costain foresees better results

BASED ON Richard Costain's standing in the industry and its wide-spread operations, chairman Mr. J. P. Sowden foresees a "modest improvement" in current *year results*.

During 1974, a year of rapid change in many of the group's markets, the growth of activities in oil-producing countries more than compensated for the downturn experienced elsewhere. The value of outstanding orders at March 31, 1975, stood at £373m.

Steady progress has been made in the extension and development of the group's international interests and over two-thirds by value of these outstanding orders are in the international field, reports the chairman.

In the U.K., the market for housing sales was weak throughout 1974. More recently, however, *the flow of funds into the building societies* has improved and there are already indications of a stronger demand for housing during the current year. Sales *so far are encouraging* and improved results are looked to for the year.

The residential development in West Germany in joint venture with the Davidson group is proceeding well and initial profits are expected during the current 12 months.

In Portugal, a downturn in the property market together with the political uncertainties, resulted in a marked fall in revenue for the Algarve development. The development company was placed in voluntary liquidation in February.

Mr. Sowden believes this should enable the liquidator to be in a better position to implement a policy of retrenchment and thereby safeguard the group's interests while creating a more favourable basis for the future. At this stage, he says, it is not possible to estimate the value of *the group's interest in the* development company.

In the property division no new major developments were entered into during 1974. Until Government legislation is clarified and the surplus of existing properties overhanging the market are properly funded and in secure hands no improvement is expected. In the meantime no major new *projects will be undertaken* by this division in the U.K., members are told.

The civil engineering division had a considerable volume of new orders for on-shore facilities in connection with North Sea exploitation and a major contract was obtained as part of the Thames flood defence work. Much of this division's other existing work for Government departments has proved unprofitable.

As reported May 14, group pre-tax profits increased from £9.63m. to £10.66m. in 1974; the dividend is raised from 3.5882p to 3.894p net.

Meeting, St. Ermin's Hotel, S.W., June 27 at noon.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. £ or Amount	Times covered	Gross Yield	P/E Ratio
	F.P.	—	£36¾	£32⅝	Bell Canada ($25)	£34⅛	+⅛	—	—	—	—
	F.P.	—	£22¼	£17½	Cont. Can. Inc. $US1	£21½	+⅛	$1.8	—	3.9	—
322	F.P.	30/5	365	293	Deelkraal Gold Mining	335	+25	—	—	—	—
	F.P.	—	134	120	Swan New Northern	131	......	—	—	—	—
140	F.P.	20/6	181	164	Rank 'A'	172	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100½	98⅝	Agricultural Mortgage 11% 1976	100	......
£100	Nil	—	40	26½	Allied Irish 10% Conv. Uns. 1985	26½	−1½
£100	£10	—	11⅛	11⅛	Colne Valley Water 9% Red. Prf. 1980	11⅛	+¼
£100	nil	—	29	21	Gestetner 'A' 10% Com. Uns. '90/95	25½pm	......
$98	F.P.	—	$97	$96½	Granges 9¾% Bonds 1985	$97	......
£97¾	£40	—	39⅝	37	GLC 12½% Stk. 1982	38⅝	+⅛
	F.P.	22/8	100	100	Greenwood & Batley 15% Uns. 1976	100	......
£99	F.P.	30/5	102¼	98½	Lincoln Corp. 14% 1980	101	+½
£99	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	104½	......
	F.P.	23/5	15½	11¾	Mid-Southern Water 10% Prf. 1980	104½	......
$100	F.P.	—	$100½	$100½	Norsk Hydro 9¾% Bds. 1985	$100½	......
£100	F.P.	21/5	114½	106	N. Atlantic Secs. 7½% Cnv. 85-86	114	......
$98	F.P.	—	$98	$96½	Ottawa-Carleton 9% Deb. 1990	$98	......
$99	F.P.	—	$101	$92½	Papua New Guinea 9¾% Guar. 1985	$100	......
£76	F.P.	—	105¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104	......
£100	F.P.	30/5	155	128	Slough Estates 10% Conv. Uns. '87/90	147	......
£99½	£45	1/8	46¼	43½	Southend-on-Sea 12% 1981	44½	+½
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	......
	F.P.	18/4	106	101	Sutton District Water 10% Prf. 1980	104	......
£99¼	£65	—	65	65	Warwickshire 12½% Red. Stk. 1980	65	......
—	F.P.	14/2	90	60	Worth (Bond) 12% Conv. Uns.	86	+1
£100	£50	2/10	97	67	Yorks Chems. 12½% Conv. Uns.	78	......

"RIGHTS" OFFERS

Issue Price p	Amount paid up	Latest Renunc. Dates †	‡	Stock	Closing Price p	+ or −
100	F.P.	28/5	30/6	Ash & Lacy	130	......
33	F.P.	16/5	2/7	Associated Biscuit	63	+2
10p	F.P.	15/5	16/6	Aurora Holdings	12	......
35	F.P.	28/5	30/6	Cadbury Schweppes	45	......
10p	F.P.	2/5	30/5	Croda Int.	69½	......
55p	F.P.	19/5	10/6	Delta Metal	66	......
$1.20	Nil	—	—	EZ Inds.	83pm	+5
25	Nil	—	—	Elliott Grp. (of Peterboro)	14pm	−1
150	Nil	10/6	12/6	Fairclough (Leonard)	26pm	−1
175	F.P.	19/5	20/6	Guest Keen	247	−1
52	Nil	—	—	Hawkins & Tipson	24½pm	......
125	Nil	4/6	6/6	Linfood Hldgs.	36pm	......
40	Nil	—	—	Macarthys Pharm.	16pm	......
100	F.P.	29/5	30/5	Manbre & Garton	125	−1
100	Nil	28/5	30/5	Marshalls Universal	34pm	......
60	F.P.	21/5	23/5	Martin Black	102	−1
60	F.P.	16/5	13/6	Morgan Crucible	98½	−½
25p	Nil	10/6	12/6	Pahang Cons.	½pm	......
47	Nil	—	—	Richard & Wallington	18pm	−2
Kr60	Nil	—	—	S.K.F. "B"	200pm	......
95	Nil	31/5	2/6	Simon Eng.	16½pm	−1
77	F.P.	19/5	6/6	Spirax-Sarco	119	......
315p	Nil	9/6	11/6	Sun Alliance	105pm	−6
125	Nil	30/5	3/6	Tarmac	14pm	−3
190	F.P.	29/4	1/5	Tube Invs.	295	......
25	F.P.	27/5	9/6	Western Selection	34	−2

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. *p*** Pence unless otherwise indicated. *u* Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ♥ 390 S.Afr. cents. ★ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ☘ Introduction. ◆ Issued to former Preference holders. † Allotment letters (or fully-paid). ‡ Provisional or partly-paid allotment letters. ≠ With warrants.

Harold Perry up 44% in first quarter

First-quarter 1975 profits, before tax, of Harold Perry Motors are *some 44 per cent. ahead at* £400,000, chairman Mr. J. F. Macgregor reveals in his annual review.

Explaining this "radical change" in the group's trading situation, he says that for the first time in several years, the number of new Ford vehicles being produced has caught up on demand.

"It seems unlikely that the *remainder of 1975 will produce* the level of business and profits which we achieved in the same period in 1974." Mr. Macgregor believes, however, that the group, is "as well equipped and manned as anyone in our trade to tackle a difficult period of trading."

As reported April 25 group pre-tax profit for 1974 increased by 13 per cent. to £1,012,105.

Commenting on an increase in stock reserves from £1.33m. to £4.2m., the chairman says this is because when Ford increased prices, financial resources enabled the group to purchase at the pre-increase price a large number of vehicles.

Meeting RAC Club, S.W., June 20, at noon.

Chairman's statement page 11

Geo. Doland turns in £170,225

TAILORS and outfitters George Doland made a record pre-tax profit of £170,225 for the 12 months to January 31, 1975, compared with £119,833 for the previous 13 months. After being ahead from £48,000 to £57,000 at halfway, Mr. A. A. Davis, chairman, forecast that year-end profits would exceed those for the previous 13 months.

Stated *earnings* per 10p share for the year are up from 1.48p to 2.22p and the dividend is raised from 1p to 1.137p, the maximum allowed.

There has been expenditure on property renovations of £61,183 on which tax relief is £31,815. The balance of £29,368 has been charged against the provision of £80,000 raised last year for this purpose.

Courtaulds £9½m. rise

SECOND HALF profits from Courtaulds have fallen nearly £29m. to £46.4m. But with the upsurge attained in the first six months, the year ended March 31, 1975, *has produced* £9.4m. more at £125.7m.

The greater part of group activities relates to units with financial years ending on December 31, 1974. The final months of 1974 reflected the onset of a sharp recession in the world textile business, cushioned for the group by substantial export *contracts entered into earlier in* the year.

In the first half of 1975, trading results are suffering from the acute recession in world textile business and a sharp downturn on the packaging side. However, the directors are confident that the setback, though severe, will prove to be temporary.

"The group is exceptionally strong in its own fields of activities, and will benefit correspondingly when trade returns to more normal levels. Meanwhile, adequate liquidity is assured," they state.

Earnings per 25p share for 1974-75 are up from 31.05p to 32.88p. The final dividend is 3.756p net for a total of 5.597p, against 5.151p.

	1974-75	1973-74
	£m	£m
External world sales	1,172.9	956.8
U.K. customers	888.5	499.2
Exports from U.K.	255.4	217.8
Trading surplus	174.0	158.2
Depreciation	45.3	41.9
Profit before tax	125.7	116.3
Taxation	*26.3	26.9
Minorities	7.3	5.3
Shareholders' interest	92.1	84.1
Preference dividend	0.2	0.2
Ordinary	15.1	11.9
Retained	77.9	70.0

* Including £23.2m. (£12.7m.) abroad

Profits from fibre manufacturing and fibre using activities in the U.K. were appreciably lower than in the previous year, despite a high level of profitable exports. Improved contributions came from textile and fibre manufacturing overseas, non-textile *activities and investments*.

Expenditure on new fixed assets expanded from £90.7m. to £114.7m.

The accounts will be posted on June 23 and the meeting held on July 23.

Statement page 24

See Lex

J. Smart looking for £0.9m.

A SUBSTANTIAL rise in profits from £501,255 to not less than £890,000 is forecast for the year ending July 31, 1975, by J. Smart and Co. (Contractors), building and public works.

Operations have been relatively free from interruptions due to the shortages of material, and the directors estimate that turnover will be up by some 60 per cent. over last year. Loss-making fixed price contracts are now largely out of the way, and appropriate provisions have been made to cover all known and prospective losses.

The gross interim dividend is lifted from 1.12p to 1.26p and it is intended that the final will be 3.3912p gross, making a total of 4.6512p gross (4.1344) being the maximum permissible.

Members holding around 50 per cent. of the capital have waived their right to the interim.

Statement page 14

BP first quarter net income reduced

A REDUCTION to £42.2m. in net income is reported by the British Petroleum Company for the first quarter of 1975. The figure for the last quarter of 1974 was £48.5m. and for the first three months of that year was £114.7m., excluding an estimated £175m. non-recurring stock profit.

Net sales proceeds in the first quarter rose to £1.84bn., compared with £1.78bn. in the same 1974 period. After heavier costs of oil, ocean freight, refining, etc. —up from £574.5m. to £1.16bn.— *interest—up from £16.1m. to £26m.* —and other costs, the pre-tax balance emerged down from £725.5m. to £488.1m.

Net income per Ordinary stock unit is stated at 10.9p (75p).

For the year 1974 net sales proceeds amounted to £7.81bn., income before tax was £2.27bn. and net income of £487.4m.

Group sales figures in the first quarter were: crude oil 22.9m. (27.2m.) tons, products including chemicals 21.8m. (24.9m.) tons; and natural gas 11m. (12.3m.) cubic metres per day.

	1975	1974
	£m	£m
Sales proceeds	2,216.2	2,106.4
Customs duties & taxes	374.7	331.4
Net sales proceeds	1,841.5	1,775.0
Other income	44.2	22.7
Cost of oil, freight, etc.	1,164.5	574.5
Distribution, selling, etc., expenses	166.3	131.2
Depreciation	40.8	40.4
Interest	26.0	16.1
	1,397.6	1,072.2
Income before tax	488.1	725.5
Overseas tax	437.4	410.1
U.K. tax*	7.0	5.5
	43.7	309.6
Minorities	1.5	19.9
Net income	42.2	289.7

* After overseas tax relief.

See Lex

BARRO EQUITIES

The liquidator of Barro Equities hopes that the final statement and balance of distribution will be made by the end of this year.

Setback at Scott & Robertson

A "SEVERE recession" in demand for the jute and textile products of Scott and Robertson has caused a slump in second half profits from £486,960 to £67,694; this leaves the total for the year ended February 28, 1975, down from £922,907 to £575,130.

The directors report that since February there has been some improvement and the majority of operating units are working more profitably.

Earnings per 25p share are stated at 7.44p (8.89p). The dividend is the maximum permitted —rising from 1.4148875p to 1.534p net, with a final of 0.7835p.

	1974-75	1973-74
	£	£
Group turnover	17,321,000	14,410,000
Trading profit	860,487	1,079,322
Interest	285,357	156,415
Profit before tax	575,130	922,907
Taxation	202,888	478,026
Net profit	372,242	443,881
Extra-ord. debits	*155,821	†216
Dividends	80,107	74,213
Retained	136,314	370,094

* Mainly from closure of Grange Mill, Glenrothes. † Credits.

Hanover Grand

A second half loss of £8,574 has decreased pre-tax profit of Hanover Grand from £214,035 to £45,742 during 1974, on turnover up from £2.1m. to £2.63m.

At the halfway stage, when pre-tax profit was down from £103,960 to £54,316, the chairman, Mr. C. L. Lewis, said the group's prospects for the second six months were "encouraging."

Earnings per 5p share are shown to be down from 2.36p to 0.12p. No dividends are being declared, against 0.9526p net in 1973.

UDT defers Pref. payment

The directors of United Dominions Trust announce that the dividend due on June 30 on the 4½ per cent. Preference stocks will not be paid then.

The decision regarding the declaration of this dividend has been deferred until the company's results for the year ending June 30, 1975, have been determined. These results are expected to be announced towards the end of August.

See Lex

Churchbury downturn

AFTER interest charges of £42,000, pre-tax profit of Churchbury Estates dropped from £153,301 to £97,916 for the year to March 31, 1975. At halfway there was little change at £73,160.

Dividend total is up from 3.1955p to 3.465p net, with a final of 2.153p.

Tax takes £53,582 (£78,350), leaving £44,334 (£74,951).

INTERIM STATEMENT

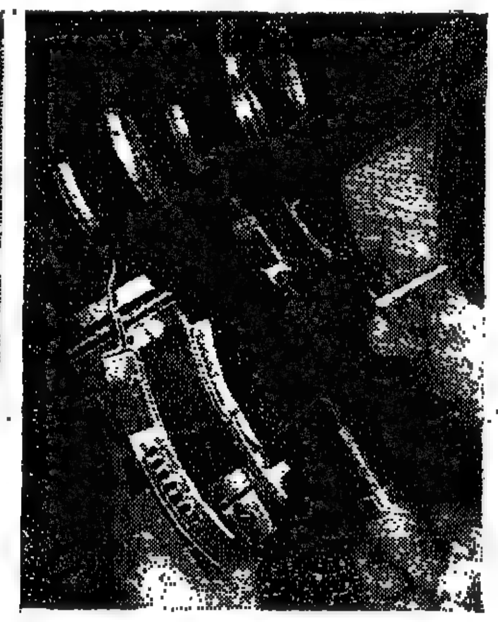
What do you associate with Associated Engineering?

If you get an immediate mental association with Associated Engineering, its a pound to a penny it's the motor industry. But to stop there would be unjust – and a dis-service to the many other industries in the U.K. and overseas that rely upon Associated Engineering's expertise.

Here are a few of the things we make which have nothing to do with cars:-

The Glacier Herbert sterngear system for ships and self-propelled off-shore drilling rigs. Queen's Award for Technological Innovation 1975 Design Council Engineering Design Award 1975

Cooling groups for diesel power plants



Aircraft, industrial and marine turbine components, especially rotor blades and nozzle guide vanes

Advanced bearing technology is applied to bearing assemblies for nuclear generator coolant circulating pump motors

Specialised castings in SG and grey iron up to 4,000 lbs in weight and in light alloys up to 250 lbs in weight

And one which has–

Econocruise – an electronic car cruise control giving simple compliance with speed limits, optimum fuel economy and delays the onset *of driver fatigue*

HALF YEAR REPORT 1975

Sustained Improvements in Sales, Profits and Earnings per Share

Salient points from the statement of the Chairman, Mr. H. R. Moore, CBE.

THE PAST SIX MONTHS

In December I said that although the prospects for the U.K. economy and world trade generally suggested that 1975 would at best be a period of little or no growth, the prospects for most of the wide range of markets which we serve were, with the exception of the U.K. car industry, better than average. This has proved to be the case.

For the six months ended 31st March 1975 the sales amounted to **£101.3** million and the unaudited profits, before interest, tax and minorities, amounted to **£9.0** million.

Pre-tax profit was **£6.5** million.

Any comparison with the same period last year is of limited value, because of the effects of the 3-day week in 1974. Of more relevance is a comparison with the second half. Against this period sales have increased by **17.8%** and profits before interest by **4.7%**. Earnings available for ordinary shareholders increased by **17.6%**.

These results demonstrate again the limited effect which reduced activity in the U.K. car industry now has on the Group and the continued resilience of most of the markets which are served.

PROSPECTS

The directors forecast that the Group's profits, before tax for the full year will be approximately **£13.0** million.

DIVIDENDS

The Board has declared an interim dividend of **1.00p** per stock unit (1974 : 0.92p), **1.54p** gross, and in the absence of unforeseen circumstances, intends to recommend a final dividend of **2.66p** per stock unit, making a total dividend for the year of **3.66p** (1974 : 3.36p), **5.63p** gross, an increase of **12.3%**.

RIGHTS ISSUE

Over recent years, profitability and return on capital employed have increased steadily. The improvement in profitability has, in the main, been achieved by selectively developing those areas where the Group's expertise both in manufacturing and in distribution can be best employed. Most effort has been devoted to activities unrelated to the car industry. This approach has been supported by considerable capital expenditure both on plant, to improve productivity on existing products or introduce new ones, and on acquisitions, such as Cannon & Stokes and additional distribution outlets in the U.K. and Europe. Further improved profitability is expected, notably through increased capacity to support the forecast growth of the diesel engine market, the expansion of the bearing business into the general industrial and marine fields, and by further improvements in productivity. A large part of the additional sales will be in overseas markets.

In order to ensure that the Group can take advantage of these opportunities, the Board proposes to raise approximately **£7.86** million by means of a rights issue to ordinary stockholders; the terms of the issue will be 1 new ordinary share of 25p for every 3 ordinary stock units of 25p at 43p per share.

RESULTS

	Half Year to 31.3.74	Half Year to 30.9.74	Year to 30.9.74	Half Year to 31.3.75 (unaudited)
	£m	£m	£m	£m
Sales U.K. – Home	47.6	52.2	99.8	64.3
Export	10.8	11.8	22.7	13.5
Overseas	19.5	21.9	41.4	23.5
	78.0	85.9	163.9	101.3
Net Profit before Interest	5.0	8.6	13.6	9.0
Net Profit before Tax	3.0	6.2	9.2	6.5
Net Profit after Tax	1.3	2.7	4.0	3.1
Earnings per Stock Unit	2.0p	4.3p	6.3p	5.0p

Associated Engineering
–broader than you think

FARNELL ELECTRONICS LTD.

The Annual General Meeting was held in Leeds on Thursday, 29th May, 1975.

The following are extracts from the Report and Accounts which were adopted by the Meeting and from the circulated Statement of the Chairman, Mr. Alan C. Farnell.

We have continued to make progress during the year . . . stock levels received special attention, debtors came under tighter control . . . beneficial results have been achieved and we have been able to move forward into the current year in a stronger position . . . we have confidence in our ability to produce a good balance sheet for the current financial year.

	1974/75	1973/74
Group Turnover	£13,414,829	£12,023,077
Profit before Taxation	£1,381,333	£1,285,211
Taxation	£725,011	£644,737
Dividends	£158,916	£146,345
Earnings Retained by Group	£497,406	£494,129
Dividend pence per Share	3.20p	2.95p
Dividend covered	4.13 times	4.26 times
Group Net Assets	£4,569,359	£4,112,078

Copies of the Report and Accounts and the Chairman's Statement in full can be obtained from the Secretary, Farnell House, 81 Kirkstall Road, Leeds LS3 1HR.

The Summary set out below records the Group's performance over the past seven years:

	Group Turnover	Pre-tax Profits	Earnings per share	Net Dividend per share	Times Covered
1974/75	£13,414,829	£1,381,333	13.23p	3.20p	4.13
1973/74	£12,023,077	£1,285,211	12.57p	2.95p	4.26
1972/73	£9,902,782	£1,042,191	11.81p	2.76p	3.54
1971/72	£8,589,786	£707,348	8.63p	2.37p	2.23
1970/71	£5,225,533	£508,441	6.04p	1.58p	2.31
1969/70	£3,954,917	£320,059	3.63p	1.10p	1.94
1968/69	£3,201,245	£265,432	2.91p	0.77p	3.32

THE FARNELL ELECTRONICS GROUP OF COMPANIES

Manufacturers of high quality electronic instruments
Specialist distributors of electronic components, audio products, and language laboratories to manufacturing industries, research and development establishments, and to education.

Distributors of radios, record players, tape recorders, television, service components and accessories.

PROGRESS MAINTAINED IN DIFFICULT MARKETS

THE METTOY COMPANY LIMITED

Salient points from the Statement by Mr. H. J. Isner, Chairman.

★ Profits before tax of £1,337,287 (£902,292) are well in line with the anticipations voiced in our interim last October. The total dividend for the year of 1.86070p is the maximum permitted under present regulations. A one-for-six scrip issue is also proposed.

★ The year presented more than the usual set of problems. We were affected by the three-day week and for many months acute shortages of vital raw materials. Despite steadily increasing production and our securing raw materials almost irrespective of price, deliveries throughout the year fell behind the demands for our products.

★ Our expansion programme went ahead apace, even though building plans, too, were bedevilled by shortages of raw materials. A total of £1,374,000 was spent on new buildings, plant and tools, only half of which has been financed by increased borrowings.

★ Sales so far, particularly of die-cast toys, are substantially ahead in the home and export markets, supporting the increased targets for 1975 which will strain our enlarged manufacturing capacity to the utmost.

★ We have reason to anticipate another year of satisfactory results on an increased turnover, even though these are dependent on Government actions.

METTOY

BIDS AND DEALS

Thorn takes interest in Sheffield Twist merger

BY NICHOLAS LESLIE

Thorn Electrical Industries yesterday stepped into the middle of the current agreed £10.46m. bid by SKF, the Swedish bearing company, for Sheffield Twist Drill and Steel by stating that if appropriate Government authorities allow the offer to proceed Thorn will make a counterbid.

However, Thorn gave no indication of any terms for an offer and a spokesman for Lazards, advisers to STDS—clearly irked by the Thorn statement—commented: "We have never been approached by Thorn or its advisers, nor have we received any offer of any description."

The STDS share price rose 6p to 76p on the news, while Thorn lost 10p to 140p.

STDS is the largest manufacturer in the U.K. of high-speed steel cutting tools. Thorn's interest in the cutting tool industry stems from its somewhat controversial £14m. cash takeover of Clarkson International Tools in March, 1974. Thorn has no holding in STDS.

Yesterday, Thorn noted that if SKF's bid was accepted it would "result in an important and highly specialised company in the engineering industry becoming foreign-owned." In these circumstances and in view of Thorn's own substantial involvement in the cutting tool industry, it would make a counterbid if the SKF offer received appropriate Government approvals.

A merger of STDS with SKF would make it the largest steel cutting tools manufacturing group in Europe. The same situation would arise if STDS went into Clarksons, which currents has an annual turnover of some £16m., with pre-tax profits of around £2m. being earned. Clarksons export 60 per cent. of its turnover, while STDS exports nearly 30 per cent. of sales.

If SKF wins STDS, it would be the second time in two years that ownership of a major British cutting-tool manufacturer would be lost overseas. In 1973, Wickman Wimet, a leading U.K. manufacturer of carbide cutting tools, was taken over by another Swedish company, Sandvik.

The attitude of the Takeover Panel to the Thorn move appears to be that, while no terms of any offer has been announced, a conditional bid is now in the open. Thus, there is no need for it to intervene in any way since, while a speculative market might now exist in STDS shares, there is no false market.

KADUNA STAKE CHANGES HANDS

London and Associated Investment Trust has agreed to sell to Temple Investment and Finance Company of Guernsey, 1m. Ordinary 10p shares in Kaduna Syndicate (28.08 per cent.) at 17½p per share free of commission and "ex. div." up to a maximum gross dividend of 1p per Ordinary share.

However, L and A is retaining Kaduna shares (4.135 per cent.), in respect of which it has made no arrangement to dispose of at present.

HALFORD SHEAD PLANS EARLY SETTLEMENT

HALFORD SHEAD (Holdings), the insurance brokers and underwriting agents, is proposing to vary the terms of deferred payments in respect of its acquisition in October, 1972 of L. E. Hart Associates. This is because it considers an early final settlement of the balance of the Hart consideration "would be in the interests of the company and its shareholders."

Under the existing agreement consideration payable is between £1.07m. and £1.5m., largely deferred and payable dependent upon Hart's profit performance. A total of £275,000 has been paid to date and further amounts would become due this year, in 1976 and 1977, to be satisfied by the issue of Halford shares.

The Halford directors are satisfied the maximum additional consideration of £1.23m. would become payable and they feel it to be in the company's interests to pay this early. It is therefore proposed to alter the terms to the effect that Halford issues to former Hart shareholders, in full and final satisfaction, a total of 840,000 shares, of which 445,000 will not rank for any dividends in respect of 1975 and 1976.

An extraordinary meeting to approve the alteration is to be held on June 16.

ASHBOURNE INV.

The Board of Ashbourne Investments said yesterday it hoped to be in a postion in the near future to advise shareholders and loan stockholders on the rulings of the Take-over Panel regarding the bid announced by Brandts in December 1973 on behalf of the consortium.

It also denied a report that negotiations were in progress with Dolloswella Holdings or any other party concerning terms for a bid by Dolloswella for Ashbourne.

PENTOS WINS WRIGHT BINDLEY

Pentos has received acceptances for 101,175 Wright Bindley and Gell shares which, together with 43,331 shares acquired during the offer period and the 695,731 already owned, represent a total of over 50 per cent. of Wright's capital. The offer has therefore become unconditional and will remain open until June 12.

Acceptances have been received in respect of £43,708 loan stock (35.21 per cent). This offer is also unconditional and remains open until June 12.

Pentos will send a further letter to shareholders and loan stockholders who have not accepted during the next few days following discussions with Wright directors.

WILLIAM BLYTHE

Michigan Chemical Corporation of Chicago has strengthened its operation in Europe through a tie-up with William Blythe, the Lancashire-based subsidiary of Hickson and Welch.

Blythes will market the U.S. company's complete range of flame retardant compounds and pharmaceutical-industrial intermediates and brominated compounds.

Haw Par deal creates problem for Panel

BY MARGARET REID

An acute problem for the City Take-over Panel has emerged with confirmation of the deal under which Haw Par Brothers International is to raise its holding in London Tin Corporation from a little under 30 per cent. to just over 50 per cent.

The increased holding will take place as part of the major £25m. transaction by which Haw Par will make a large share issue to the Malaysian Government-controlled Pernas Securities. The issue, giving the latter 40 per cent. of the enlarged Haw Par capital, will be in exchange for the injection of three large shareholdings by Pernas into Haw Par, just over 20 per cent. of London Tin, some 10 per cent. of Sime Darby Holdings and about 19 per cent. of Island and Peninsular Development.

The problem for the Take-over Panel is that a purchaser acquiring shares raising its stake in another company above the 30 per cent. level is normally required, under the Take-over Code, to make a general bid for the rest of the shares. There is no doubt that Haw Par's take-over of the extra shares in London Tin, the London-based group which is the world's largest tin mining concern, will be just such an acquisition.

Haw Par said it was not its intention to seek to change the domicile of London Tin or to make an offer for the outstanding shares. Active consultation took place yesterday with the Panel, which is understood not to be planning to give any snap decision in the matter.

The Panel's final attitude to the matter is likely to depend on how exceptional it is prepared to consider the case, involving as it does the acquisition of a large stake in a company by a holder effectively controlled by the Malaysian Government. A full-scale bid for the 40 per cent.-plus of London Tin would cost at least £20m.

Mr James Gammell, Haw Par's chairman, said yesterday: "This is the Malaysian Government offering partnership to British investors. Purchase for cash of the rest of the London Tin shares would frustrate the entire purpose of what that Government is trying to do."

He considered that the interests of London Tin minority holders would be benefited by the association and added that a reorganisation was planned which might allow British investors to participate in a holding company having direct investments in an operating company in Malaysia.

Wong Sulong adds from Kuala Lumpur: The Haw Par deal is an example of Perna's policy of buying into companies with major interests in Malaysia. It is seen here as the start of vigorous moves by Pernas to sharpen and improve Malaysia's business expertise.

Pernas is sponsored by the Malaysian Government and is charged with implementing the Government's New Economic Policy of acquiring at least 30 per cent. ownership and control in Malaysia's commercial and industrial sectors by the "bumiputras." The bumiputras (the word literally means son of the soil) are the Malays whose share of business and industrial ownership is small compared to that of Chinese and foreign interests.

With the lack of Malay managerial and technical expertise, Pernas sees a quick way of achieving the aims of the new policy by buying controlling interests in companies with extensive interests in Malaysia.

VAVASSEUR SELLS S. A. HOLDING

J. H. Vavasseur Group is to sell its holding in Vavasseur South Africa to a company called Woolfsons Holdings for around the equivalent of £3.2m.

The number of VSA shares involved is 1.79m., together with 180,000 of 6½ per cent. redeemable Preference shares. Consideration will comprise Ordinary and Preference shares in Woolfsons which are to be purchased by Trust Accepting Bank for R4.01m. cash, equivalent to R2.17 per VSA Ordinary share and R131,000 for the Preference shares.

Woolfsons intends to extend its offer to holders of outstanding VSA shares on the same terms, underwritten by Trust Accepting Bank at R2.17 per share in cash.

Half the consideration will be payable on September 30, and the balance on December 31. South African Reserve Bank approval has been obtained for remittance of funds from South Africa in freely convertible currency over two years

At current exchange rates total proceeds will amount to some £3.2m. (equivalent to present book value of Vavasseur Group's equity and loan investments in VSA). This will be used to repay group debt.

MINING NEWS

Patino's sharp profit drop

BY LESLIE PARKER, MINING EDITOR

AS PREDICTED by the company's president Mr. P. J. Keenan earlier this month, the Netherlands-based Patino organisation, which nearly doubled its 1974 net income, has started off the current year with sharp drop in earnings.

The first quarter's net income of $C1.43m., equal to 33 cents a share, compares with $4.55m. or $1.04 a share in the same period of 1974 and with $18.47m., equal to $4.22 a share, for the whole of that year. An interim of 25 cents is declared. The 1974 total was 40 cents.

Shareholders' equity at book value on March 31 was $89.34m. or $20.42 (£8.56) a share. It is stated that the reduced first quarter earnings are expected to continue during 1975 mainly owing to depressed metal prices and prevailing business circumstances.

Mr. Keenan recalls his reference in the annual report to the major upsurge in costs and the strike at the group's Canadian mining operations which would make 1975 a difficult year. He now reckons that the importance of these problems becomes increasingly obvious although he still thinks that Patino's asset base and its strong overall financial position ensures a favourable future. The shares were unchanged at £10¾ cum premium yesterday.

WHITE MINERS GROW RESTIVE

Now facing a further rise in black workers' wages as reported here yesterday, South Africa's cost-conscious gold-mining industry may also be seeing matters coming to a head over the white miners' demand for a five-day working week.

It is reported from Johannesburg that the Council of Mining Unions will declare a dispute if there is no meeting with the Chamber of Mines by June 4 to discuss the apparent deadlock in negotiations.

The Chamber is willing to discuss the matter with the Council and will be prepared to have a further meeting in the near future. While the Chamber is prepared to concede a small loss of production as a result of the shorter working week, it is not willing to face a sizeable fall, especially in view of the position of the higher cost and lower grade gold mines which are now being squeezed between inflationary pressures and the absence of any fresh advance in the bullion price.

RHONICKEL DOES LESS WELL

The Anglo American Corporation group's Rhodesian Nickel Corporation, which operates the Trojan and Madziwa nickel mines in north-east Rhodesia, has suffered a poor second half year after the buoyant conditions obtaining in the previous six months, reports our Salisbury correspondent.

As a result, net profits for the full year to March 31 show a 9 per cent. fall at $Rh.2.3m. The final dividend is reduced to three cents but with the interim of four cents the total still equals that for 1973-74.

THE $8M. NEED OF METALS EX.

The Queensland Cabinet has met to discuss the need for $8m. (£4.6m.) by Metals Exploration for its share of the over-run costs of the big Greenvale lateritic nickel venture in which it is partnered by America's Freeport Minerals.

As reported here yesterday, the Australian company has expressed fears that the $264m. (£150m.) venture may have to close within seven days unless extra funds are found. Metals Exploration has been negotiating for a loan from the Australian Industry Development Corporation but without success so far.

According to sources in Brisbane, the Cabinet made a decision yesterday on Queensland's attitude to further State Government funding for the project but it will make no statement until other lenders to the project decide whether or not to advance the $8m. Meanwhile, the company's chairman, Mr. Reg Hare, is to meet major representatives of local lending institutions today. Metals Exploration rallied 8p to 46p yesterday.

TEXASGULF AND PLATINUM

Now the search is on for platinum in Canada. It is at Thunder Bay in north-western Ontario. The seeker is America's Texasgulf now effectively controlled by the Canada Development Corporation, the Canadian Government organisation.

Texasgulf has optioned the property from Boston Bay Mines a Montreal company. Two drills are to be used for a period of 18 months. If at the end of that time Texasgulf thinks it worth while to exercise its option it would pay an initial $5m. (£2.1m.) followed by three further payments of like amount spread over a period of years if the project is brought to production.

MINING BRIEFS

MOUNT ISA MINES—Four weeks to May 25: Lead ore treated 178,821 tonnes, produced 8,719 tonnes crude lead and 16,765 tonnes zinc concentrate. Copper ore treated 287,128 tonnes, produced 11,800 tonnes blister copper. One operating day lost owing to Labour Day holiday.

Portsmouth Sunderland pays same

THE dividend total for Portsmouth and Sunderland Newspapers is being held at 2.346p net, with a final of 1.471p (same), on pre-tax profit down from £1,353,032 to £1,133,215 for the year to March 31, 1975, after £740,000, against £593,000, at half-way.

Earnings per 25p share are shown to have declined from 6.94p to 6.04p.

	1974-75	1973-4
Turnover	[illegible]	[illegible]
Pre-tax profit	[illegible]	[illegible]
Tax	[illegible]	[illegible]
Net profit	[illegible]	[illegible]

Harcros Investment outlook

Indications to date show that dividends from Harcros Investment Trust's plantation holdings should be fairly well maintained during the current year, says chairman Mr. J. F. E. Gilchrist.

He adds that income from new investment in the general sector undertaken in the second half of the year will not noticeably add to revenue in the short-term and the directors do not expect to have the benefit of such high interest rates on liquid resources.

The directors' aim will be to continue making a fairly full distribution of earnings and to improve the base of the portfolio to gain maximum benefit when a recovery from present levels occurs, explains Mr. Gilchrist.

Commenting on the year ended March 31, 1975, he points out that during the year the company held a high proportion of liquid funds although new investments were made in the early part of 1975. The company has continued to favour companies with high overseas earnings and is well placed with funds to take advantage of market opportunities. At present, however, the directors believe a cautious approach in committing new money is essential.

As reported on May 17, taxable revenue for the year ended March 31, 1975, advanced from £414,314 to £446,770. The dividend is stepped up from 1.315p to 1.4p net.

Meeting, 1, Great Tower Street, E.C., on June 25, at 11.30 a.m.

Chairman's statement page 35

Caird (Dundee) down £0.39m.

Profits of Caird (Dundee), dropped from £750,265 to £358,116 in the year ended March 31, 1975, following a first-half fall from £413,714 to £239,556.

The dividend is raised from 1.79635p to 1.948635p net, with a final of 0.978635p.

After tax receivable £51,373 (£176,380 payable), deferred tax £165,405 (£207,000), and writing back previous over provision £87,500 (nil), the net balance emerges at £331,585 (£380,638).

COURTAULDS

Profit and Dividend 1974-75

The Board announces its intention to recommend a final dividend of 3.756p per 25p Ordinary Share, which together with the imputed tax credit is equivalent to a gross dividend of 5.778p, making a total for the year of 8.526p. Under the Government's counter-inflation regulations this is the maximum permitted. It compares with 7.579p in 1973-74.

Profits from fibre manufacture and fibre-using activities in the U.K. were appreciably lower than in the previous year, despite a high level of profitable exports. There were improved contributions from textile and fibre manufacturing activities overseas, from non-textile activities, and from investments, to give a final figure higher than in the previous year.

The greater part of the Group activities relates to units with financial years ending on 31st December 1974. The final months of 1974 reflected the onset of a sharp recession in the world textile business, cushioned for Courtaulds by the existence of substantial export contracts entered into earlier in the year.

The results are:

Year to 31st March 1974 £m.		Year to 31st March 1975 £m.
956.8	World Sales to External Customers	1,133.9
499.2	Sales to U.K. Customers	558.5
217.8	Exports from United Kingdom	285.4
116.3	**Profit before Taxation**	125.7

1974 £m.		1975 £m.
158.2	Trading Surplus	174.0
41.9	Depreciation	48.3
116.3		125.7

26.9	Less Taxation including £23.2m. abroad (1974 £12.3m.)	29.3
89.4		96.4
5.3	Less Minority Shareholders' Interest	7.3
84.1	**Courtaulds Shareholders' Interest**	89.1
0.2	Dividends – Preference	0.2
13.9	Ordinary	15.1
14.1		15.3
70.0	Retained	73.8
84.1		89.1

Earnings per Ordinary Share 32.88p – 1974 31.05p

Expenditure on new fixed assets amounted to £114.7m. (1974 £90.7m.).

Trading results in the first half of 1975 are suffering from the acute recession in world textile business and a sharp downturn in the Group's packaging business.

The Directors are confident that the set-back, though severe, will prove to be a temporary one. The Group is exceptionally strong in its own field of activities, and will benefit correspondingly when trade returns to more normal levels. Meanwhile, adequate liquidity is assured.

The accounts will be posted on 23rd June 1975 and the Annual General Meeting will be held on 23rd July 1975. The Ordinary Final Dividend will be paid (if approved) on 31st July to Shareholders on the Register on 29th May 1975.

Courtaulds, Limited
29th May 1975

L. R. Croydon,
Secretary.
18 Hanover Square, London W1A 2BB

Fed Chemicals makes £1.5m.

FOR 1974 Federated Chemical Holdings, formerly Greeff-Chemicals Holdings, reports a pre-tax profit of £1.55m. on turnover of £31.08m.

The results include a full year for the former Greeff Chemicals, six months for former Chemical Securities and eight months for Kingsley and Keith Group. As the figures for 1973 are for Greeff Chemicals only, 1974 figures are not comparable.

The directors say that as a result of the deterioration of the economic climate in 1975 they do not expect trading companies to match in 1975 the performance of 1974. However, the policies pursued during the last year leave the group well placed to respond to adverse circumstances and to take advantage of both a recovery in the chemical industry and of any opportunities which may arise. In the long term the prospects of the group remain undiminished.

Basic earnings are stated at 5.41p (3.44p) per 25p share and fully diluted at 5.28p (3.44p). The dividend is raised from 2.5363p to 2.7587p with a final of 1.0527p net.

The company does not consolidate its share of the profits of British Titan but in 1974 that share amounted to £2.9m. before tax (£1.33m.). For comparison the British Titan dividend included in the profit and loss account, including the imputed tax credit, amounted to £517,245 (£273,090).

Since the end of the year the company has sold quoted investments which have realised £2.5m. (representing a surplus over book value of £776,000). These proceeds have been used to reduce short-term borrowings and will result in a substantial saving in interest charges.

	1974 £000	1973 £000
Group turnover	31,070	[illegible]
Trading profit	1,373	204
Investment income	656	431
Profit before interest	1,934	635
Interest payable	424	116
Leaving	1,510	520
Share of associates	37	14
Profits before tax	1,547	534
Taxation	776	143
Profits after tax	771	391
Minority loss	5	—
Pre-acquisition	111	—
Extraordinary credits	†621	3
Attributable	1,286	394
Preference dividend	3	3
Dividends	397	285
Expenses share issue	*56	—
Retained	[illegible]	104

* Included in extraordinary credits and recharged to share premium account.
† Principally comprised of surpluses arising on the sale of long-term investments less acquisition expenses and goodwill written off.

FIRE DESTROYS £150,000 STOCK

Stocks of raw materials valued at about £150,000 were destroyed by fire on Tuesday night at Hawkins and Tipson's Burfields factory at Hailsham, Sussex.

The directors of the company, which makes ropes, wire products and furniture, say that the total loss is covered by insurance. There was no damage to plant and production is proceeding normally, they add.

Coats Patons omits final —inflation & tax blamed

THE DUAL problems of inflation and taxation are behind a decision by Coats Patons not to recommend a final dividend for 1974; there will be a one-for-25 scrip issue instead. There is no crisis either of profits or of cash availability, the directors emphasise.

Results for 1974 reveal a profit, before interest, 4.8 per cent. lower at £54.2m. Two markets, U.S. and Australia were responsible for a fall of 17.9 per cent., and the rest of the world for an increase of 13.1 per cent. Any continuing setback in those markets this year would probably only be temporary, members are told.

After heavier interest of £9.55m. (£5.34m.), the pre-tax balance at £47.26m. is 12.7 per cent. down of which exchange loss represented 2.9 per cent. Earnings for Ordinary holders — before an extraordinary loss of £1.11m. on sale of subsidiaries — emerged at £24.6m. (£26.0m.)—equal to 9.2p (10p) per share.

An interim dividend of 0.9p net has already been paid, so this compares with the 2.6226p total for 1973.

Explaining their decision on the dividend, the directors point out that in 1974 inflation necessitated an additional investment of £37m. in working capital, or £2m. more than cash flow.

Fixed capital investment, acquisitions and sundries totalled some £22m. and borrowings increased by £24m. "There is no cash crisis, however, any more than there is a trading crisis," and unused facilities amount to at least £40m., the directors stress.

As regards the tax problem, they explain that to a multinational with the bulk of profits earned abroad the imputation system denies effective double tax relief when dividends are paid out of profits which have not borne a full corporation tax charge. A final at last year's level would have cost some £7m., nearly £2½m. of which would have represented ACT not immediately recoverable.

Were a final to be paid at last year's level the cash deficit of £24m. would rise by £7.05m., including a full charge of £2.47m. in respect of ACT not immediately recoverable. The directors unanimously agreed that under continuing and accelerating inflationary conditions cash conservation was the prime objective in the interests of shareholders."

	1974 £000	1973 £000
Sales	445,210	414,524
Trading profit	64,565	67,290
Depreciation	10,385	10,292
Profit	54,180	56,997
Interest	9,540	5,336
Off goodwill	124	97
Profits of associates	1,380	824
Investment income	348	317
Surplus on invests. sold	32	147
Surplus on assets realised	779	1,162
Profit before tax	47,257	54,146
Taxation	20,095	24,094
Net profit	27,162	30,052
Investment grants	398	335
Minorities	2,500	3,742
Attributable	24,620	26,645
Extraordinary losses	1,111	—
Preference dividends	48	48
Ordinary dividends	2,594	6,977
Retained	21,067	19,620

The provision for U.K. tax at 52 per cent. is £5.57m. (£4.90m.) after DTR of £7.09m. (£6.72m.), and includes deferred tax of £2.77m. of which £1.27m. represents capital allowances and £2.49m. stock relief (£4.29m.), of which £154,000 represents capital allowances and £4.13m. stock relief). Overprovision prior years £220,000 (£197,000) and over-spill £300,000 (same). Foreign tax is £14.31m. (£19.85m.). Associates' tax is £743,000 (£[illegible]).

See Lex

Cautious policy at Cater Ryder

THE policy of Cater Ryder and Company remains one of caution although the directors believe there will be adequate opportunities to earn reasonable profits, reports chairman Mr Francis Hoare in his annual statement.

The country's inflationary problems are still unresolved, and this together with the as yet unknown outcome of the Common Market referendum means that the company "cannot yet look to the future with great confidence."

Referring to his statement last year that unless there was some reduction in short-term interest rates it might take some time to rebuild Inner Reserves, Mr. Hoare says this has happened sooner than might have been expected.

By the end of the financial year interest rates had fallen some 2-3 per cent. from the levels of a year ago, enabling the company to make good profits. In addition, he adds, for the greater part of the year running profit margins have been wide on a relatively short portfolio and this made a "substantial contribution."

As rates have fallen these margins have been considerably reduced, and although the company is trading profitably, it is unlikely to return, other than temporarily, to the exceptional conditions of last year, Mr. Hoare states.

Holding of bank bills has been substantially higher during 1974-5 and the larger turnover is reflected in the rediscount liability. In the second half many opportunities were taken to deal actively in the gilt edged market although the commitment has generally been "small."

As reported on May 16, profit—after providing for rebate and tax and transfer to contingencies—improved from £321,949 to £1.11m. in the year ended April 30, 1975.

Current assets improved from £250.61m. to £311.47m., including bills discounted at £174.2m. (£96.94m.). Certificates of deposit £89.90m. (£111.96m.) and Short dated corporation bonds £30.01m. (£22.00m.). Loans secured on group assets were £295.30m. (£231.70m.).

Matt. Brown £0.86m. at midway

FOR THE six months to March 29, 1975, taxable profit of brewers, Matthew Brown and Co., rose by just over 6 per cent. from £808,000 to £857,000 on turnover 24.5 per cent. higher at £4.72m.

The interim dividend is stepped up from 0.804p to 0.83p net. Last year's total payment was 2.634p from profits of £1.9m.

The directors say that the general upward trend is still being maintained and they are hopeful that year-end figures will again show a modest increase.

Volume sales of beer, wines, spirits, minerals and food have in each case shown at least a modest increase in the seven months to the end of April. This date allows for a better comparison with last year than the half year-end because Easter was in March this year and April last year, they add.

Tax takes £447,000 (£420,000), leaving the net balance up from £388,000 to £410,000.

Israel-British Bank (London)

The Bank of Israel is actively considering a new proposal by the Bank of England that would help satisfy claims by clients of Israel-British Bank (London), which is now in the process of liquidation, together with its parent operation in Tel Aviv.

The Governor of the Bank of Israel, Mr. Moshe Zanbar, declined in an interview to specify the nature of the suggested formula but indicated that it went beyond current co-ordinated efforts by the two central banks to maximise the market value of securities now held by IBB's Israeli and British liquidators The Israeli central bank's response should be forthcoming within the next few weeks, he said.

Lord Aldington's pay rise under fire

BY MARGARET REID

A 22 per cent. increase, of £7,000 to £27,000, in Lord Aldington's pay last year as chairman of National and Grindlays Holdings, was decided on by the Board before the problems which led to a £10m. net loss for the group were known.

At yesterday's annual meeting of the company, whose setback was caused by a net loss of almost £10m. at its Grindlays Bank subsidiary, the rise in the chairman's remuneration was criticised by two shareholders.

One suggested that it accorded ill with the stress in the chairman's statement on the need for leadership.

Replying, Lord Aldington said the increase, the first since 1969, had been approved by a committee of his Board colleagues.

The same committee had also dealt with other remuneration of directors in the light of inflation. "The decision was taken by the Board last August before we knew of these (loss) developments and when we thought profits would be up on 1973," he added.

Of the organisational position in the group, including Grindlays (in which First National City Bank is raising its stake to 49 per cent. compared with National and Grindlays 51 per cent.), Lord Aldington said there might be changes, but not all possibilities canvassed in the Press should be believed.

Lord Aldington's reappointment as a director was approved with two dissentient votes. Mr. J. P. Berkin and Mr. N. N. Wadia were reappointed directors with one dissentient vote in each case. Sir John Muir was re-elected unopposed.

After the meeting, Lord Aldington said they were still working on plans for the projected rights issue by Grindlays Bank, which implied an issue of the same kind by the holding company.

The following are extracts of statements made by chairmen to other annual meetings yesterday.

Mr. Raphael Wallrock, of Magnolia Manufacturing, said orders to the end of April were ahead of those for the same period last year, "but indications are that it may be difficult to maintain this level during the remainder of 1975."

It was difficult to make a forecast which would have any real meaning in the present uncertain economic climate. Sales efforts were continuing. There had been some improvement in the bulk orders taken by the manufacturing companies, although below the planned level. This had been offset by the continuing strong demand in the retail sector.

On the brighter side, the cash flow continues to improve and would enable Magnolia to take advantage of opportunities for expansion when the timing is right," said Mr. Wallrock.

Mr. Ewart Boddington, chairman, Boddingtons' Breweries, said the position so far this year continued to be encouraging. Sales remained buoyant, and once again it was the company's own locally-brewed beers that were leading the field. Free trade was still expanding at a very satisfactory rate.

The Budget announcement that VAT was to be raised resulted in "a considerable increase" in sales, Mr. Rowan Bentall told Bentalls' shareholders.

As a result the company was currently in excess of its budgeted increase of 14 per cent. although naturally the rate of increase had slowed down very recently.

The directors felt last year's sales rise of more than £2m., or 9 per cent., should have been greater, said Mr. Bentall. With this in mind it had been decided to investigate the company's trading potential which he believed would be of considerable benefit. At the same time the directors were taking further steps to maximise productive selling space to increase revenue.

For the longer term the directors were looking ahead and examining projects for the late seventies and eighties.

Mr. S. A. Field, of William Baird and Company, noted that results of the group's U.K. operations so far in 1975 compared favourably with those in 1974, but the serious production problems at the mine were not resolved.

As to the discussions with Bethlehem Steel Corporation "the position remains as reported in my statement," he said.

Harcros Investment Trust Limited

The sixty-sixth annual general meeting of Harcros Investment Trust Limited will be held in London on 25th June. The following is an extract from the statement by the Chairman, Mr. J. F. E. GILCHRIST, O.B.E., which has been circulated with the report and accounts.

We are pleased to report that the Trust's gross revenue has again reached a record figure at £479,015 compared with £443,025 for 1973/74. As indicated last year, the outlook for the plantation industry was favourable and our income from this sector of the portfolio was well up to expectations at £246,646 against £217,341. Reduction of commercial and industrial holdings during the previous year contributed to a fall of some £7,000 in dividends from this source but higher rates on our liquid funds gave the Trust the benefit of interest up from £23,084 to £36,902. Taxation was higher at £150,340 against £127,001, leaving £296,370, or earnings of 1.56p per 10p stock unit compared with 1.51p. The board recommend a final dividend of 1.12p per unit making a total for the year of 1.40p per unit against 1.3185p.

Our net assets at 31st March 1975 totalled £7,955,440 representing 41¾p per 10p unit as against 45¼p at the previous year end. During the year we held a high proportion of liquid funds although new investments were made in the early part of 1975. We have continued to favour companies with high overseas earnings and we are well placed with funds to take advantages of market opportunities. At present, however, we believe a cautious approach to committing new money is still essential.

Whilst so many uncertainties persist on the economic front, it is impossible to make any realistic forecast for the current year either in regard to capital values or income. Indications to date show that dividends from our plantation holdings should be fairly well maintained during the year. Income from new investment in the general sector undertaken in the second half of our year will not noticeably add to revenue in the short-term and this year we do not expect to have the benefit of such high rates of interest on liquid resources. The Board's aim will be to continue making a fairly full distribution of earnings and to improve the base of the portfolio to gain maximum benefit when a recovery from present levels occurs.

Exchange rates cloud VFW-Fokker sales outlook

BY NICHOLAS COLCHESTER, DUSSELDORF, May 29.

VFW-FOKKER, the German-Dutch aerospace company, had a satisfactory year in 1974 with after-tax profits up marginally to DM8.2m. Yet the strength of the Deutsch-Mark against the dollar continues to put its civil aircraft programme at a telling disadvantage to American competition, and the company badly needs new military contracts to provide a sound basis for this uncertain commercial business. The company's talks with Romania over possible joint production of the VFW-614 still hang in the balance.

The commercial success of last year was something of a break-through for the F-28 60-passenger jet. Total sales of this aircraft, whose programme is now in its seventh year, are now 107, and 12 have been sold so far this year. The disappointment remains the slow progress of the A-300 Airbus, a programme in which the company has a 17 per cent. interest, and of the VFW-614 40-passenger jet of which only 10 have been sold so far.

VFW-Fokker has DM110m. of its funds tied up in the VFW-614 and some DM60m. in the Airbus. The total development cost of the 614 is estimated at DM375m., with the German and Dutch Governments putting up the bulk of the money. Sales director Alan Buley maintains that the 614 programme is "healthier" than people assume and that patience is required. Nevertheless he makes it clear that the company needs government sales subsidies, similar to those afforded to the Airbus, to overcome the Deutschmark-dollar exchange rate handicap. Talks on this are now taking place with the German Economics Ministry. A study in the U.S. suggests that there is an American market for some 130 aircraft of the 614 size: yet the main problem remains price.

While the 614 project continues to raise hopes rather than money it is natural that the Romanian negotiations should attract attention. The tentative plan is for VFW-Fokker to allow Romania to assemble a minimum of 50 and potentially 100 VFW-614s for its own consumption and for markets like China, parts of South Africa and parts of South America. At the moment VFW-Fokker contributes about 30 per cent. of the total labour which goes into making a 614—the rest being supplied by sub-contractors. This 30 per cent. would ultimately be split half and half with Romania. The problem remains payment: Romania must ultimately pay VFW-Fokker hard currency. This is the main obstacle to a firming-up of the framework agreement.

On the military side the company's main worry is the running down of the CH-53 helicopter programme. The last and 110th of these will be delivered this summer. VFW-Fokker is anxiously awaiting the outcome of four European Governments' deliberations over the "Starfighter" replacement. The choice of an American aircraft should involve substantial contracts for the company which would help redress the military-civil balance of its business.

Last year's turnover of VFW-Fokker fell by 3 per cent. to DM1.389bn. Commercial aircraft accounted for DM514m. of this, refitting (mainly military) DM180m., Government contracts DM476m., and Government development contracts (including space work) DM134m. In all, Government contracts accounted for DM763m., or 55 per cent. of the company's sales.

Michael Van Os adds from Amsterdam: Commenting on the Dutch Government's decision earlier this week conditionally to purchase U.S. General Dynamics F-16 fighter aircraft to replace the ageing Starfighters in the Dutch Air Force, the company told a Press conference here that it would have earned more money had the French Mirage (Dassault) contender been purchased.

VFW chairman G. Klapwijk said that the company's Dutch plants would now receive an estimated Fls.400m. less in revenue from offset work. The purchase of the F-16 would mean Fls.800m. in offset work if NATO countries bought at least 2,500 aircraft whereas it would get Fls.1.2bn. from the French if "only" 1,100 Mirage aircraft were purchased. Another disadvantage of the F-16 choice was that the work would have to be carried out in a shorter period with the resultant problem of finding enough highly-skilled workers.

On earlier occassions, Mr. Klapwijk had indicated that he would have preferred the French plane to be purchased as this would help towards the creation of a European aircraft industry to compete more effectively with the U.S. manufacturers. He has also hinted in the past that a French purchase would enhance Fokker's chances of sales to Air France where the ageing Caravelle fleet will soon have to be replaced.

And whereas it was extremely difficult for European manufacturers to sell on the U.S. market, it was "an extraordinary situation," that this was the case while the U.S. companies had such huge sales on the European aerospace market, the VFW-Fokker chairman added.

Volvo to lose more on DAF

BY MICHAEL VAN OS, AMSTERDAM, May 29.

VOLVO CAR BV (the new name since May 1. of the Dutch car manufacturer DAF) expects to suffer a loss again in the current year but it does not elaborate on the possible size of the deficit. It adds, however, that it regards the prospects in the somewhat longer future with "much confidence." The integration of the Volvo and DAF sales organisations should bear fruit. It has faith in the DAF car product and in the long range forecasts for car usage.

The annual report of DAF shows that the Eindhoven-based manufacturer was hit badly by the car industry recession: only about 70,000 cars left the Born factory in 1974 compared with 98,000 the year before.

The pre-tax loss in 1974 amounted to Fls.88.5m., which compares with a modest profit of Fls.12.6m. the year before. The net loss (after allowing for tax compensation) was Fls.54.4m. (the 1973 net profit was Fls.7m.) and it is proposed to carry the net loss forward into a new account.

The report adds that the management has already secured the necessary resources to continue the full current programme of product renewal and extension of the range. The issued and paid up share capital was raised by Fls.50m. in 1974, so net worth remained virtually unchanged after deducting that year's loss. A further increase in share capital of Fls.55m. is scheduled for mid this year and agreement has been reached on a new 25-year loan of Fls.50m. guaranteed by the state-controlled Nationale Investeringsbank.

Net sales to third parties fell by more than 15 per cent. to Fls.537.4m. last year. After deduction of Fls.30.1m. depreciation and Fls.22.4m. for interest charges, the pre-tax operating loss was Fls.66.3m. Extra-ordinary income and charges showed a negative balance of Fls.22.2m., having been affected considerably by the creation of an additional provision against the stock of cars.

The report said that the interruption in the growth of the car market in general—Supervisory Board chairman Mr. Per Gyllenhammar described 1974 as the "worst year for car manufacturers since World War II"—had occurred at a very unfortunate moment for DAF's car division. "It happened precisely at a stage of its development during which rapid expansion was absolutely necessary for the attainment of profitability," the report points out.

The loss of 66 days' production as a result of short-time working at the Born assembly plant and the consequent inadequate cost coverage, the large amount of capital tied up in stocks and the inability to pass on the highly inflationary cost increases to customers accounted for the substantial loss in 1974.

Noting that the DAF cars maintained their market share of the declining market, the annual report also sets out some of the factors especially affecting sales last year. They were the high exchange rate of the guilder which adversely affected sales, particularly in Britain (registrations down 6,000 to 8,500 last year), France and Italy, the decline affecting private car sales in particular, a sector in which DAF is almost exclusively dependent, and the taking out of production of the DAF-33. This model used to account for a quarter of production. The new DAF-44 was introduced in the final quarter of last year.

Nederlandse Credietbank growth forecast

AMSTERDAM, May 29.

NEDERLANDSE CREDIETBANK said it expects 1975 net profit will be higher than last year's Fl.8.6m. on a balance sheet total of Fl.4.81bn.

In a prospectus to its Fl.40m. 8½ per cent. year loan at par, it said proceeds will be used to meet demand for credits, especially in the medium-term period.

Reuter

Swire Pacific placing

Financial Times Reporter

HAMBROS BANK in London and Hambro Pacific in Hong Kong announce that arrangements have been completed for the placing of 21m. new "A" shares of HK cents 60 each of Swire Pacific at a net price of US$1.30 (HK$6.38) after a reallowance commission equivalent to US cents 4 per share. The shares are being placed in London, Hong Kong, Australia and various centres in Europe and the Middle East.

The total sum raised by the placing after expenses will be approximately US$26.9m. of which approximately US$16.4m. will be applied in the purchase by Swire Pacific of a controlling interest in Cathay Holdings and approximately US$10.5m. will be retained by Swire Pacific for the future expansion of the company.

The brokers to the placing were Joseph Sebag, Cazenove and De Zoete and Bevan.

Dealings in the existing shares of Swire Pacific have now been resumed on the Hong Kong Stock Exchange. Dealings in the new "A" shares will commence on June 3.

C. Itoh forms U.K. subsidiary

By Margaret Hughes

C. ITOH, ONE of the big four Japanese trading houses (shosha) with turnover last year of £8bn., now has a fully fledged U.K. subsidiary—C. Itoh Plant Sales (U.K.) Limited.

The new company has been formed by the acquisition of the 20 per cent. stake held by Woodend Plant Sales Limited (its original U.K. plant distributor) in their joint venture Woodend C. I. Plant Sales Limited. This latter company, which will now be known as C. Itoh Plant Sales (U.K.) Limited handles the distribution of the four ranges of construction equipment which C. Itoh markets in this country.

These are Tadano cranes, Hitachi excavators Kobe diesel hammers and—once it has overcome some patent difficulties—Kawasaki loading shovels.

Initially the new U.K. company is aiming for about double turnover in the current year to £1m.—at which point it should provide a firm base for C. Itoh's further expansion in the U.K.

These plant distribution operations are currently headquartered at Tarbock near Prescot but by the end of this year the company hopes to have set up an additional sales and services divisions in Scotland.

The new company headed by Mr. K. Hattori as managing director, comes under the direct control of C. Itoh Co. Ltd. (London Office) which is also responsible for other C. Itoh operations in the U.K. — namely Mazda Car Imports (G.B.), which is the concessionaire for Mazda passenger and commercial vehicles, C. Itoh-Bridgestone Tyre Sales (U.K.), which imports Bridgestone tyres, and Takiron (U.K.) which manufactures PVC corrugated sheeting — all of which are joint venture operations.

The London Head Office also controls C. Itoh operations throughout Europe and Africa.

Nestle still Swiss No. 1

By John Wicks

ZURICH, May 29.

NESTLE ALIMENTANA remained by far the biggest industrial undertaking in Switzerland last year, according to a report issued by the Union Bank of Switzerland. Its group sales totalled Sw.Frs.16.62bn. for the year and the number of employees in the group reached 138,809—of which only some 7,044 actually worked in Switzerland.

Other leading industrials in order of importance last year were the Basle chemical group Ciba-Geigy, with group turnover of Sw.Frs.9.34bn. and a world-wide labour force of 78,999, the Baden-based engineering concern Brown, Boveri, whose figures were not released at the time of the bank report and whose world employee total was 96,200, and the Swiss Aluminium group, of Zurich, with group sales of Sw.Frs.5.12bn. and 34,890 employees worldwide.

Major trading undertakings were the Migros co-operative, with Sw.Frs.6.18bn. sales and 33,759 employees, and Swiss Co-op, with Sw.Frs 4.712bn. and 32,441, respectively.

Societe Generale de Belgique outlines development strategy

BY DAVID CURRY, BRUSSELS, May 29.

SOCIETE GENERALE de Belgique, the largest holding company in Belgium whose portfolio was worth B.Frs.18.72bn. at the end of December (£225m.) yesterday revealed the reasons behind its decision to raise B.Frs.2.7bn. by a convertible loan.

The company is offering 900,000 bonds of B.Frs.3,000 nominal value, at par, with a 12-year maturity and bearing a 8.25 per cent. coupon to raise B.Frs.2.7bn. The issue opens on June 2 and the market anticipates that the issue will meet with a ready response.

Governor Max Nokin, the head of the group, said that the essential purposes of the company were to concentrate its participation in certain important sectors where it could organise its activities around large pivotal concerns; to develop its shareholding in large operations; and to support affiliates in expansion and restructuring.

He defined the four major sectors in which Societe Generale intended to concentrate its activities as banking and finance; non-ferrous metals; energy; and chemicals. Within these sectors the company already controls or participates in the management of a number of leading concerns including its 22 per cent. stake in the Societe General de Banque which is the pivot of the financial area; Traction et Electricite (a 45 per cent. stake), which is a power utility and holding company occupying a central position in the energy field; and Union Miniere (some 19 per cent.), which is envisaged as the main constellation in the non-ferrous metals sector.

More generally, Governor Nokin declared that the services sector was the chosen area for expansion of the group. He thought that technology and know-how was the fundamental European resource just as raw materials had proved the making of the Arab world, and that the group needed to develop its activities in this area. "Nearly 50 per cent. of our activity is in the service sector and we aim to continue along this road without, of course, writing off manufacturing industry," he declared.

While M. Nokin did not specify further acquisitions of the group, he hinted that the insurance industry was of particular interest.

He also indicated that the group was likely, as a result of the concentration of its portfolio, to take a more active role in the management of its subsidiary companies. He said that in the past the group had been "timorous" in intervening in a company's management but that he envisaged a more forward policy in the future. At present the group had few holdings apart from those in predominantly holding companies which amounted to more than 5 per cent., and this had made it reluctant to weigh in with too heavy a hand.

Companies within the group which were themselves holding companies would remain with this status where they provided a particular expertise. Where this was not the case absorption or merger was ultimately envisaged.

Governor Nokin also said that he wanted to see the internationalisation of the shareholding of Société Generale. To this purpose it was hoped to place some 25 per cent. of the convertible abroad.

Questioned on the burgeoning function of the holding company as a bank (time deposits rose from B.Frs.7.07bn. at the end of 1973 to B.Frs.8.6bn. a year later) Governor Nokin said that this function as a "group banker" could become more important. The greater part of money held on behalf of companies in the group which were relatively liquid was loaned out to other group companies in the form of advances; relatively little went into increasing shareholdings. The holding company received only term deposits and not sight deposits from group companies.

The regulations of the Commission Bancaire forbid the company to add to information given in the prospectus on specific financial details. However, Governor Nokin pointed out that although the steel sector was in obvious difficulties this year (the company has a 17.2 per cent. direct and indirect stake in Cockerill, the country's major steel producer and a 16 per cent. holding in the Luxembourg steel giant Arbed) other areas were continuing to do well. He named banking and finance (contributing more than a third to total portfolio revenue); the sector represented by Traction et Electricite; and chemicals as being "in very good shape."

Thus, it can be deduced, though M. Nokin did not spell it out personally, that while the 1976 results of the group will be good (representing the dividends it receives in 1975 for profits earned in 1974) the 1977 results will not suffer unduly because of the problems of the steel industry in 1975.

Governor Nokin, who envisages regular cost raising exercises in future, said that the group had no intention for the moment of presenting consolidated accounts, since he thought these would only present a more complicated, if more illuminating, view of the group than the present accounts. He pointed out that the group's holdings were valued at cost in the balance-sheet, and that as some of these were of long-standing their actual value was considerably in excess of book value. He added that the group's fixed assets were also valued at a very low figure.

Degussa first-half downturn

BY GUY HAWTIN, FRANKFURT, May 29.

THERE HAS been a clear decline in profits on Degussa's operations in the first half of the current business year, started September 30, the Frankfurt-based metals and chemicals group told shareholders of the situation in a circular to-day.

Degussa's executive Board stated that the "unsatisfactory cyclical situation," which had worsened in the final half of last year, had hit most of the concern's divisions. First effects were felt in the autumn of 1974.

Sales were particularly down in the domestic market. Employees had been on short-time working and plants had been working under capacity. As a result, unit production costs had risen substantially. Increased competition "in virtually all domestic and foreign markets" had led to increased pressure on sales prices. Volume turnover was some 15 per cent. below the level of the year before.

The circular said that it was difficult to forecast the likely performance in the second half of the year. There was a good deal of uncertainty in the general economic outlook, although there were a few signs indicating some improvement in the situation "in the near future."

Group turnover, not including VAT, on the first six months of 1974-75 totalled DM1.86bn compared with DM1.87bn. in the first half of 1973-74. Domestic turnover, however, fell 7.9 per cent. from DM1.01bn. to DM928m.

Export turnover rose by 7.7 per cent. from DM609m. to DM656m. in the first six mnoths of the current year. The fastest growth rate—9.5 per cent.—was recorded by the group's foreign subsidiaries which pushed their turnover up from DM253m. to DM277m.

Turnover by the German concern grew by 1.9 per cent. from DM1.55bn. to DM1.58bn. Domestic turnover declined from DM918m. to DM875m., while export turnover rose by 11.4 per cent. from DM631m. to DM703m. The proportion of exports in total turnover rose from 40.7 per cent. to a current 44.6 per cent.

However, the executive Board pointed out that as far as turnover by value was concerned, if no allowance was made for the precious metal used, actually declined by 2 per cent.

While there was a slight decline of 1 per cent. in the payroll at the end of the first half of 1974-75, personnel costs were up by 11.6 per cent.—the result of a 12 per cent. pay increase which covered the entire chemical industry. Degussa's workforce totalled 13,233 at the end of March this year compared with 13,363 at the same time last year. At the same time personnel costs rose from DM227.7m. to DM254.2m.

VEW raises dividend

BY GUY HAWTIN, FRANKFURT, May 29.

VEREINIGTE Elektrizitaetswerke Westfalen (VEW), the Dortmund-based energy concern which supplies power to one of Germany's most important industrial areas, is increasing its 1974 dividend from 14 per cent. to 15 per cent. despite a fall in net profits.

Shareholders will receive DM7.50 per DM50 nominal share instead of the previous year's DM7 if the July 9 annual meeting accepts the management's proposal. Net profits, however, are down from the previous year's DM94.4m. to DM90.3m., and it is planned to transfer only DM18.3m. to reserves compared with DM27.2m. in 1973.

The concern, which this year will be celebrating its 50th anniversary, will also be asking the annual meeting to approve a rights issue of a nominal DM120m. to raise net capital from DM480m. to DM600m. The issue will be offered in the ratio of one to four but there is as yet no indication of the price. Yesterday VEW shares were traded at DM119 per DM50 nominal share.

Meanwhile it has been announced that Gelsenberg has fulfilled expectations and lowered its dividend for 1974. The concern which has been merged with Government assistance with Veba, will pay 8 per cent. or DM4 per DM50 nominal share compared with 10 per cent. or DM5 per share in 1973.

The drop in dividend is largely due to decreased profits stemming from unsatisfactory performance in the mineral oils sector, said the supervisory board.

Ajman Arab Bank formed

BY MARY CAMPBELL

THE GOVERNMENT of Ajman, one of the United Arab Emirates, has set up a joint bank called the Ajman Arab Bank with the WFC Corporation. Each will own 40 per cent. of the capital of 10m. dirhams (about $2½m.). The remaining 20 per cent. is currently on offer to private individuals in the UAE.

This will be the first bank incorporated in the emirate of Ajman though there are 10 branches from banks elsewhere. The intention is that at some time it should branch out into operating elsewhere in the emirates too.

The new bank has been given the role of economic and financial advisor to the Government of Ajman and expects to play a significant part in the process of developing the emirate. No oil discovery has yet been confirmed there though exploration is in progress.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8pc 1986	98½	99½
Ashland 8pc 1987	92½	93½
Australasia 8pc 1987	90½	91½
BFCE 9pc 1989	98½	99½
Borregaard 9½pc 1989	95½	96½
Carrier 8pc 1987	90	91
Conoco 8pc 1984	96½	97½
Consd. Foods 7½pc 1991	87½	88½
Cutler Hammer 8pc 1987	91½	92½
EIB 9½pc 1985	101	102
Esso 8pc 1986 Nov.	97½	98½
General Cable 8pc 1987	[illegible]	[illegible]
General Motors [illegible] 1986	102	103
GTE 8pc 1985	97½	98½
ICI 7½pc 1992	78	80
Nat. Westminster 7½pc 1987	[illegible]	[illegible]
Pacific Lighting 8pc 1985	91½	92½
Prov. of Quebec [illegible]	[illegible]	[illegible]
Quebec Hydro [illegible]	[illegible]	[illegible]
Queensland 8pc 1987	[illegible]	[illegible]
Scanraff 8pc 1989	[illegible]	[illegible]
Shell 8pc 1985	[illegible]	[illegible]
Standard Oil [illegible]	99½	100½
Tenneco 8pc 1987	[illegible]	[illegible]
Transocean [illegible]	[illegible]	[illegible]
TRW [illegible]	[illegible]	[illegible]
Utah 8pc 1987	[illegible]	91
Volvo 9½pc 1985	98½	99½

NOTES	Bid	Offer
Air France 9½pc 1982	102½	103½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 7½pc 1975	97	99
Cie Nat du Rhone 10pc '80	103½	104½
Du Pont 7½pc 1979	100½	101½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1975	100½	101½
Marubeni 9½pc 1982	101½	102½
Nippon Fudosan 10½pc 1981	103½	104½
Skand Enskilda 10½pc 1981	104	105
Tenneco 7½pc 1979	97½	98½
Tokyo Curacao 10½pc 1981	104	105

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	78	80
Beatrice Foods 4¼pc 1992	87	89
Beatrice Foods 4½pc 1992	98	100
Borden 5pc 1992	[illegible]	[illegible]
Broadway Hale 4½pc 1987	74	[illegible]
Canon Camera 7pc 1990	[illegible]	[illegible]
Carnation 4pc 1987	[illegible]	92
Chevron 5pc 1988	96	98
Dart 4pc 1987	88	90
Eastman Kodak 4½pc 1988	117	119
Economic Labs 4½pc 1987	[illegible]	[illegible]
[illegible] 7pc 1988	101	103
Ford 5pc 1986	81	83
Ford 5pc 1988	75	77
Fuji 6½pc 1985	110	
General Electric 4¼pc 1987	82	84
Gillette 4¼pc 1987	83	85
Gould 5pc 1987	77	79
Halliburton 4¼pc 1987	123	125
Harris 5pc 1992	66	68
Hitachi 6½pc 1984	108	
Honeywell 6pc 1986	77	79
ITT 4½pc 1987	69	71
Komatsu [illegible] 1984	160	
J. Ray McDermott 4¾pc '87	123	125
Mitsui [illegible] 1988	135	
J. P. Morgan 4½pc 1987	120	122
Motorola 4½pc 1986	125	
Owens Illinois 4½pc 1987	85	87
J. C. Penney 4½pc 1987	52	54
Pioneer 6½pc 1989	110	112
Rand Selection 6½pc 1986	103	
Rank 4½pc 1993	43	45
Revlon 4¼pc 1987	101	103
Sperry Rand 4¼pc 1987	96	98
Squibb 4¼pc 1987	[illegible]	[illegible]
Toshiba 6½pc 1985	110	112
Union Carbide 4½pc 1982	105	107
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	84	86
Xerox 5pc 1988	76	78

Source: Kidder, Peabody Securities.

Du Pont earns less in Europe

By John Wicks

ZURICH, May 29

DESPITE a 16 per cent. rise to $916m in the total European sales of the U.S. chemical concern Du Pont de Nemours and its consolidated subsidiaries last year, earnings were down by some 20 per cent. on 1973 totals, according to the group's European headquarters in Geneva. The depressed business climate is said to have caused a sharp fall-off in the second half of 1974, with resultant lower utilisation of production capacity in some plants.

Total investment of consolidated Du Pont subsidiaries in Europe rose by $164m dollars last year to $1.11bn. A plant at Contern-Hesperange in Luxembourg for the manufacture of spun-bonded polypropylene was brought on stream during the year, while construction is continuing of new facilities for nylon staple at Uentrop, Germany, and of the expansion of plants for polyester filament and staple at Uentrop and acrylic fibre at Maydown, Northern Ireland. Other expansion projects include those for polyester film in Luxembourg, due for commissioning late this year, and for PTFE fluorcarbon resin at Dordrecht, Holland.

With regard to the business outlook in Europe, Mr. Milton H. Campbell, Chairman of Du Pont de Nemours International, says that 1975 will be a difficult year due to the economic slowdown, continuing inflation and rising costs.

"The company's 1975 sales and earnings in Europe will depend to a large degree on whether, as now predicted by many economists, an improvement in the general economies of the industrial nations of Europe commences later in the year."

Middle East borrowing

SEVERAL Middle Eastern financings are being arranged, Reuter reports from Brussels. The Spanish State-backed motorway concern Autopistas del Mare Nostrum has issued five-year bonds worth 100m. Saudi Rials at 8½ per cent. while the National Bank of Algeria is reported to be floating a 10 to 25m. Kuwaiti dinar issue with Kuwait International Investment Company as lead manager. Coupon here is said to be 8½ per cent. and maturity eight years. The recent Bank of Tokyo issue in the Middle East has been priced at par.

FARMING AND RAW MATERIALS

هكذا امنه الأصل

China grain threatened by drought

By Colina MacDougall

DRY WEATHER in the north China plain during spring is threatening the winter wheat crop. This accounts for 90 per cent. of the country's total wheat production and thus about an eighth of the national grain harvest of about 250m. tons.

Rain since December has been markedly below average and Chinese reports speak of drought and hand watering, where there is no irrigation, to save the crop.

Spring is normally dry in north China and should be followed by heavy rain in early summer, but so far there is no sign of this.

The other north China grains — millet and sorghum — are drought resistant, so there is no question yet of future serious shortage, though lack of rain is likely to reduce yields. However, a diet composed mainly of coarse grains is not popular.

In north-east China, spring wheat and other crops have been affected by drought and emergency meetings have been held to promote irrigation. In Kiangsi and Chekiang provinces in central China, long cold, rainy spells have damaged early rice, cotton and other cash crops, say local radio services.

While there is always bad weather somewhere in a country the size of China, the Chinese need a harvest at least 2 per cent. above last year's to match the population increase. This means that besides increased multiple cropping, irrigation and fertiliser application, they must also have reasonable luck with the weather.

Wool prices steadier

By Our Commodities Staff

A STEADIER tone was evident at yesterday's Australian wool auctions, following the fall sparked off by uncertainty over the 1976 floor price at the beginning of the week. Prices were generally unchanged at the Melbourne and Sydney sales and the Australian Wool Corporation bought 7.5 per cent. and 10 per cent. of the offerings respectively. Competition was widespread at both sales, with Japan and Eastern Europe leading the competition.

At New Zealand's Dunedin sale, prices were 2.5 to 5 per cent. lower, compared with levels reached at the Christchurch sale on May 23—before the set-back in prices began. The sale was reported to have begun on a hesitant note, but settled down later.

Plan to cut herring catches may founder

BY RICHARD MOONEY

A MAJOR question mark still hangs over the rate of herring stocks in the North Sea and off the west coast of Scotland following the North-East Atlantic Fisheries Commission annual meeting, which ended in London on Wednesday.

The meeting achieved majority agreement on a severe cut-back in total allowable herring catches in these waters, but in both cases three delegations voted against. The protection of herring stocks, whose decline has caused serious concern, was widely considered to be the most urgent question facing the Commission.

It now remains to be seen whether any, or all, of the nations concerned formally lodge objections to the quotas agreed. Under the rules of the Commission each country has 90 days within which to lodge an objection, which has the effect of excluding it from the quota restriction. If objections are received from three or more countries the proposal is defeated; but even one objection from a major catching nation could make the agreement unworkable.

In the case of North Sea herring, the "No" votes came from Denmark, Iceland and Sweden, with Norway abstaining. The most likely objector among these is Denmark, whose quota was cut from 210,000 tons in the year to June 30, to 69,000 tons in the 18 months to December 31, 1976.

The total allowable catch (TAC) for North Sea herring was cut by a massive 66 per cent., from 494,000 tons in 1974-75, to 254,000 in the coming 18 months. However, as the actual catch for the year to June 30 is likely to fall short of the TAC by some 40 per cent., the effective cutback would be 45 per cent.

Norway

Norway, the second biggest herring catcher in the North Sea, had its quota cut from 100,000 tons in the year to June 30, to 45,000 in the coming 18 months. By comparison Britain's loss is relatively insignificant—16,000 tons in the coming 18 month, against 18,000 in the current year.

This is the first year of quotas for herring off the west coast of Scotland. At the beginning of 1975 the Commission set a TAC of 205,000 tons for the coming year, but at the recent meeting this was reduced to 155,200 tons, with a further cut to 136,000 tons coming in 1976. France, the Netherlands and West Germany voted against this proposal but none of these are major catchers of herring in this area.

Even if three objections are received to either, or both, of these measures, a complete free-for-all is unlikely to ensue. But a special session of the Commission would have to be called, at which some kind of interim arrangement could be reached.

More satisfaction, from the U.K.'s point of view, was achieved on the questions of industrial fishing and protection of sole and plaice stocks. A move was agreed to prohibit fishing of herring, except for human consumption, and to limit the amount of herring included in industrial catches to 15 per cent. of any one catch, or 10 per cent. of annual industrial landings. This measure was not approved unanimously, but no objections are expected. The total allowable catch for sole in the North Sea was fixed at 12,500 tons, while that for plaice was reduced from 126,000 tons in 1975 to 99,900 in 1976.

North East Arctic cod quotas were substantially unchanged, but the question of quotas for haddock, declining stocks of which are also causing concern, was held over for consideration at the Commission's mid-term meeting in November.

Cocoa market fraud admitted

FINANCIAL TIMES REPORTER

TWO COMMODITY companies were alleged at the Old Bailey yesterday to have lost more than £400,000 through their association with Harsh Kumar, an India-born business agent, who admitted showing them bogus documents to support his promises of cocoa deliveries at the height of the market boom last year.

Kumar was said to have put himself in the position of "gambling on futures" in a bid to get commission. He pleaded guilty to one count of forgery and four of uttering forged documents with intent to defraud in London between December 1973 and March 1974. Passing of sentence on the charges was deferred until to-day.

Mr. Henry Pownall, prosecuting, explained that Kumar (29), of The Greenway, Hounslow, had promised delivery of 500 tons of cocoa beans to two London firms in the belief that the deals would go through all right. When the cocoa shipments never arrived, he claimed he had been let down. Prices went against him, rising from just over £500 to £1,000 a tonne in a few months.

As a result of transactions, the commodity firm of M. Golodetz, of Mincing Lane, had lost nearly £350,000 and another firm, Gardner Lohmann, had lost between £50,000 and £60,000 as they had to buy from other sources at higher rates in order to keep their own promises to other purchasers.

City Fraud Squad officers, under Det. Inspector Roy Elsey, heard of the forgeries from the market at an early stage and so were able to alert commodity companies in time to avoid greater losses.

Mr. George Shindler, QC, defending, said Kumar did not deliberately set out to defraud the firms and honestly believed the cocoa would be shipped normally. Kumar had confessed what he had done as soon as he realised the cocoa would not be delivered.

He had not enriched himself in any way, but had misjudged the market trend in the hope of gaining commission on the deals.

Higher French beet acreage

PARIS, May 29.

THE AREA sown to sugar beet in France was about 585,000 hectares on May 20, 9 per cent. higher than in 1974 and in line with forecasts made a month ago, the General Confederation of Beet Planters reported.

Most beet was sown in the warm final week of April, since when development of plants and seedlings has been held up by the persistent cold, it said.

In Tokyo, meanwhile, the Japanese Agriculture and Forestry Ministry said import duties on raw sugar would be resumed next month following a sharp price fall in world markets.

Reuter

Hopes of lower egg imports

By John Edwards, Commodities Editor

PRESSURE ON EEC egg markets, including Britain's should be reduced by French Government plans for slaughtering some 2m. hens, Mr. F. Peart, Minister of Agriculture, claimed yesterday. The French Government were to go ahead next week with plans for "culling" laying hens from the French flock.

This was confirmed, said Mr. Peart, during a meeting with Mr. Pierre Lardinois, EEC Agriculture Commissioner and M. Bonnet, the French Minister for Agriculture, at Luxembourg this week. It was also confirmed also that the French market was now open without restriction to exports of eggs from Britain, following the U.K. Government decision to ban arsenicals from feed for laying hens.

Mr. Peart said he fully recognised the concern egg producers felt about the lower prices. While it would be a mistake to react hastily to short-term movements, he would not hesitate to seek remedial measures if these proved necessary.

Latest Ministry estimates suggest that imports of eggs in May are likely to be no more than 50,000 boxes—90,000 boxes fewer than in May, 1974—but domestic output through packing stations rose in the week ended May 19 to 431,000 boxes—15,000 more than in the same week last year.

In the first quarter of the year, U.K. egg exports totalled 102,000 boxes, while imports were 199,000 boxes.

A spokesman for Eastwoods said the company was considering exporting some eggs to France on a trial basis, mainly to confirm whether or not the market was really open.

He pointed out that the French culling scheme was originally scheduled to start in April. On U.K. egg exports, it was claimed, a significant proportion went to "breakers" at low prices for processing.

U.S. STOCKPILE SELLS TUNGSTEN

WASHINGTON, May 29.

The General Services Administration said it sold 106,036 lbs of tungsten ores and concentrates for domestic use from the stockpile to Kennametal Inc of Pennsylvania, the only bidder.

The GSA is offering a further 500,000 lbs of stockpile tungsten for sale, with 375,000 lbs for domestic use only and 125,000 lbs for export.

Reuter

WORLD FOOD SUPPLIES

U.K. farm expansion the wrong answer

BY A SPECIAL CORRESPONDENT

THE RECENT White Paper "Food from our own resources," outlining the Government's plans for the expansion of agriculture reflects the temporary ascendancy of isolationist policies, based on self sufficiency and the national interest, and ignoring the events of the past three years which demolished a long-standing complacency about international food markets. The lesson to be drawn was the pressing need for more international co-operation, planned adjustments in agricultural production and trade, and joint commitments by importer and exporter nations to finance a level of stocks adequate to meet supply fluctuations wherever they might occur.

The White Paper does not disguise its appeal to the "national interest" over and above international considerations. It interprets this interest mainly in straightforward balance of payments terms. The Government is right not to allow the oil deficit to submerge consideration of other factors in the balance of payments. But the relative importance of the £1,250m. increase in the net food trade deficit between 1972 and 1974 has already been eroded by the increasing value of manufactures trade, resulting from general international inflation combined with some increase in the volume of trade. In 1974, net food imports absorbed 19 per cent. of total manufactured export earnings, the same proportion as 3 years previously. If there are no further increases in relative food prices, the volume of food imports presents no greater balance of payments problem now than in the past.

The question

The question, therefore, comes back to the general underlying assumption of the White Paper, that there will be continuing international shortages.

The Government refers to world food demand and the needs of developing countries. It points to the 2 per cent. per year growth in world population, and to the UN projections of world food demand. But this merely reflects the confusion of argument generated during and since the World Food Conference in Rome last year. Despite all human concern, the plain truth is that it is as hard as ever to see how increased agricultural production in Britain can help to reduce world hunger in the foreseeable future. Regardless of assertions about "severe strains on the world's food producing resources" there is no evidence whatever that production capacity in the traditional grain exporting regions of the world, chiefly North America, is inherently incapable of meeting the demands likely to be placed on it in the next decade.

One well-known fact must be reiterated. The tight supplies and soaring prices of 1972-4 took place against a background of years of supply control policies in North America and Australia, when carry-over stocks were seen as commercially embarrassing surpluses to be reduced as quickly as possible and not as a buffer against world harvest fluctuations. By an unhappy series of coincidences, the restrictionist policies which took arable land equivalent to the entire area of Britain out of production, and which enabled the U.S. Government to get out of the grain storage business with a sigh of relief, came to "succeed" just at the point when North America and the USSR experienced bad harvests simultaneously. But to suggest that conditions then or now reflect the full production potential of North America would be absurd. There is plenty of scope for improvement; U.S. Department of Agriculture economists have put the potential expansion of grain production in the next decade at 50 per cent.

On the other side of the equation, the developing countries are bound to continue to produce most of their own food for many years to come. Economically, the reasons for restricting the proportion of food which has to be imported are of a different order of magnitude in poor countries, compared with Britain. In India, the mere 3 per cent. or 4 per cent. of total food supplies imported represents up to ¼ of the total import bill, whereas in Britain over 40 per cent. of food supplies amounts to less than 20 per cent. of the total import bill. Thus, a 1 per cent. change in domestic agricultural production would have an effect of around 7 per cent. on the total import bill in India, whereas in Britain the corresponding figure is 0.2 per cent. In addition, two-thirds of India's population is employed in agriculture, compared with 3 per cent. in Britain, so the immediate prospects for a rise in living standards of most people in India depends on a rise in agricultural production.

The vital contribution the rich countries could make is to provide a buffer against food supply fluctuations around the world. The sensitivity of international cereal markets is strongly influenced by the fact that only 4 per cent. of world production enters international trade, and the full force of world harvest fluctuations is felt in this small trade fraction. If the policies of rich countries further restricts the volume of world trade, this will make even smaller the residual market in which variations have to be absorbed. The relatively small but variable balance of food required above domestic production in poor countries must be dependably available through regular commercial channels at a stable and moderate price level. We have failed disastrously to meet this responsibility in the recent past. Whatever the effects in Britain of a sudden doubling of cereal prices, the effects in India have been incomparably worse. All the signs during and since the World Food Conference are that the political will among the industrial group of nations is utterly inadequate to meet this obligation.

Major obstacle

The attitude of the U.S. has been a major obstacle. While prepared to contribute to a grain fund for special relief purposes, it has explicitly opposed any use of international stocks as an instrument with which to control prices.

Yet the U.S. attitude can only be made more negative by a major importing country like Britain turning its back and talking about reducing its dependence on imports.

Paradoxically, a commitment to continue imports at the present time would be a much more positive contribution by Britain to ensuring the availability of developing countries' requirements for international supplies than the policy of domestic expansion of food production which the Government proposes. This is because international grain supplies will continue to hinge on North American policies, and only with the assurance of continued agricultural export earnings from other industrial countries will the U.S. Government be prepared to hold to the open ended production policies and grain reserve operations needed to assure commercial supplies at a fair price to developing countries.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	550-.5	-3.25	550.5-1.5	-1.5
3 months	550-.5	-5.25	550-.5	-4.25
Settlem't	550.5	-5.5	—	......
Cathodes				
Cash	520-.5	-4.25	521-2	-3.75
3 months	540-.5	-4.25	541-.5	-4.5
Settlem't	520.5	-4.5	—	......
U.S. Smt.	—	......	*63.70	......

COPPER—Lost further ground on the London Metal Exchange but closed above the day's lowest. Opening at £558, forward metal fell to £448 reflecting the easier U.S. market overnight which prompted renewed stop-loss selling here. At the lower level, however, a good two-way business developed with European buying reported along with short-covering and the price rallied to end at £551.5 on the afternoon Kerb. Turnover 12,125 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £551, 50.5, late June £556, three months £550, 51, 52 to 50. Cathodes: cash £520.5, three months £540.5, 40. Kerbs: Bars: cash £550, mid-June £554, early Aug. £544.4, three months £550.5, 50, 49.5, 50. Afternoon: Wirebars: cash £550, 51, three months £549 to 51, 50.5. Cathodes: three months £541, 41.5. Kerbs: Bars: three months £551, 50.5, 51, 51.5.

TIN—Moved narrowly in very quiet trading, modest physical demand again bolstering prices. Turnover 470 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	2975-7	+2.5	2975-7	+2
3 months	3015-7	+1.5	3014-5	......
S'ment	2977	+2	—	......
Standard				
Cash	2975-7	+2.5	2975-7	+2
3 months	3015-7	+1.5	3014-5	......
S'ment	2977	+2	—	......
Straits E.	†2925	......	—	......
New York	—	......	*346.00	-0.5

Morning: Standard: cash £2,977, three months £3,016, 15. High Grade untraded. Kerbs: Standard three months £3,015. Afternoon: Standard: three months £3,015, 14. High Grade untraded. Kerbs: Standard: three months £3,013, 15.

LEAD—Lower again. Selling pressure was not heavy and cash metal seemed reluctant to break the £150 level although it was not thought that there was any buying on behalf of producer interests. Turnover 6,166 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	150.5-1	+0.25	150-1	-.5
3 months	155-6	+0.25	154.5-5.5	-2.5
S'ment	151	......	—	......
N.Y. Spot	—	......	*22½-4½	......

Morning: cash £150.5, three months £157, 56, 55.5. Kerb: three months £156. Afternoon: three months £155. Kerb: three months £155, 55.5.

ZINC—Rallied but closed below the day's highest. Heavy industrial demand, thought to have been on producer account, pushed cash metal up to £324 before the price eased to close at £318.5. The backwardation widened to £20 at one time as forward metal was less buoyant although higher on balance. Turnover 3,700 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	323-.5	+5.75	318-9	+8
3 months	303-4	+2	302-.5	+2.25
S'ment	323.5	+5.5	—	......
Prim. West	—	......	*36½-9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: cash £320 to 24, 23.5, three months £301 to 05, 04.5. Kerb: cash £320, early Aug. £306, 07, three months £304. Afternoon: cash £320, 21, three months £302, 03, 02.5. Kerb: three months £302.

SILVER

Silver was fixed 1.0p an ounce lower for spot delivery in the London bullion market yesterday, at 196.9p. U.S. cent equivalents of the fixing prices were: Spot 457.0c, down 3.8c; three-month 464.4c, down 3.9c; six-month 470.2c, down 6.3c; and 12-month 486.1c, down 6.3c. Conditions were quiet. The spot price opened at 197.5-199.0p (459-462c), and touched 195.6-196.6p (452.6-455.5c) during the afternoon, before ending at 195.6-196.5p (453.5-455.5c) against the previous 197.0-198.5p (457-460c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	196.9p	-1.8	196p	-2.25
3 months	202.4p	-1.0	201.6p	-2.25
6 months	207.7p	-2.0	—	......
7 months	—	......	209.75p	-2.10
12 months	220.2p	-2.0	—	......

LME—Turnover 127 (152) lots of 10,000 ozs. Morning: Three months 203, 02.5, 02.1, 02, 02.2. Kerb: Three months 202, 01.9, 01.8. Afternoon: Three months 201.2, 01, 01.4, 01.5, 01.6. Kerb: Early-Aug. 200.4; three months 201.6, 01.8, 01.6, 01.7, 01.8, 02, 02.2.

COCOA

Prices closed at the day's highs on light shortcovering in thin conditions, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 4 Contract			
May	481.0-83.0	+3.0	485.0-78.0
July	487.5-88.0	+8.25	488.5-79.0
September	481.5-82.0	+8.0	482.0-74.0
December	496.0-97.0	+3.0	498.0-[illegible]
March	505.5-07.0	+3.75	506.0-[illegible]
May	505.5-08.0	+2.75	504.0
July	511.0-12.5	+3.75	506.0

Sales: 1,357 (1,915) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 48.30 (49.74) U.S. cents per pound; indicator 15-day average 48.11 (47.90); 22-day average 48.15 (48.32).

FREIGHTS

DRY CARGO—Chartering remained modest with little change in rate indications and only small interest evident for grain from N. America. Cargoes of grain were covered from U.S. Gulf to Japan at $12.50 free discharge for July and from U.S. Gulf to Alexandria at $14.25 free discharge for June, also from the same loading area to Spanish Atlantic at $5.50 f.i.o. for June.

In the coal section, a cargo was booked from Hampton Roads to Antwerp/Hamburg at $8.50 free discharge for May-June and another from Northern Range and Baltimore to Continent at $4.25 free discharge prompt. Ore shippers arranged cargoes from Tubarao to Weser at $2.90 f.i.o. for June and from Sepetiba Bay to Hamburg at $3.00 f.i.o. for June.

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated

	May 29 1975	+ or —	Month ago
Metals			
Aluminium	£296	......	£278.6
Free market cif	£280-290	......	£286-296
Copper			
Cash Wire Bars	£551	-3.5	£548.75
[illegible]			
Sisal EAAL	£600*	......	£850
Sugar	£165	-5	£210
Wooltops 64s ... kilo	197p	......	186p
Cloves (Madagascar)	£2,550	......	£2,550
Pepper White ... ton	£826½	......	£840
Black ... ton	£620½	......	£685

* Nominal. † Seller. ‡ Unofficial close. ¶ Indicative price. a U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." † Unquoted u Seller's quotation h May-June. k June. n Metric tons. r July. p June-July. s July-Aug. t Sept. q Aug.-Sept. w Nov.-Jan.

INDICES

FINANCIAL TIMES

May 29	May 28	Month ago	Year ago
153.04	152.94	161.32	208.69

(Base: July 1, 1952=100)

REUTER'S

May 29	May 28	Month ago	Year ago
1072.5	1074.8	1071.3	1302.5

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	May 29	May 28	Month ago	Year ago
Spot	269.63	271.09	284.05	532.76
Futures	249.79	250.80	262.59	292.48

(Average 1924-25-26=100)

MOODY'S

Moody's	May 29	May 28	Month ago	Year ago
Spie Commty	718.5	720.7	729.7	778.5

(Dec. 31, 1931=100)

U.S. Markets

Cocoa up, silver and copper fall

NEW YORK, May 29.

SILVER declined on Commission House selling while copper fell in featureless trading. Cocoa advanced slightly in thin trading conditions. Sugar edged lower on trade selling. Chicago grains closed higher in the beans on local short-covering. Maize and wheat finished lower on commercial selling, Bache reports.

Cocoa—Ghana spot 63 (62½). Bahia spot 55¼ (same). July 45.55 (45.50). Sept. 46.55 (46.30). Dec. 46.85. March 47.30. May 47.35. July 47.50. Sept. nil. Sales: 595.

Coffee—Spot Santos No. 4 unquoted (unquoted). Colombian Mams unquoted (unquoted). "C" Contract: July 53.50 (53.25). Sept. 55.00-55.10 (55.00). Nov. 55.90-56.00. Dec. 56.40-56.50. March 56.50-57.00. May 57.40-57.50. Sales: 223.

Copper—May 54.10 (54.50). June 54.80 (55.00). July 55.10. Sept. 55.70 settlements. Sales: 1,305.

Cotton—July 44.50 (43.58). Oct. 45.70 (44.75). Dec. 46.43-46.45. March 47.30 bid. May 47.95 bid. July 48.60 bid. Oct. 48.10 bid. Sales: 2,050.

‡Gold—June 167.60 (170.00). July 166.90 (171.20). Aug. 170.10. Oct. 172.56. Dec. 174.90. Feb. 177.30. April 179.60. June 181.90. Aug. 184.30. Oct. 186.70. Sales: 1,417.

Greasewool—Spot 134.0 nom. (same). July 132.5-138.0 (132.5). Oct. 135.0-139.0 (135.8). Dec. 138.0-139.0. March 139.0-139.0. May 138.5-142.0. July 138.5-144.0. Oct. 138.5 bid.

†Lard—Chicago loose 24¼ asked (27 asked). NY drummed 30¼ nom. (32 nom.).

††Maize—July 265-265½ (266-267¼). Sept. 253 (253¼-256½). Dec. 239½-240. March 245. May 249½.

‡Platinum—July 148.80 (149.40). Oct. 152.50 (same). Jan. 155.80. April 158.70. July 161.70. Oct. 165.00-165.20. Sales: 243.

‡‡Silver—Spot 455.00 (460.00). June 450.50 (458.50). July 453.50 (462.70). Aug. 456.60. Sept. 459.50. Dec. 469.40. Jan. 472.30. March 478.60. May 484.80. July 490.90. Sept. 496.90. Sales: 5,444.

*Soyabeans—July 502 (497). Aug. 499-498½ (493½). Sept. 499-490. Nov. 490-491. Jan. 496½-496. March 504-505. May 510½-511. July 515. Aug. 514.

bSoyabean Meal—July 120.00-119.50 (120.20). Aug. 121.50 (121.20). Sept. 122.50-123.00. Oct. 123.50-124.50. Dec. 126.00-125.50. Jan. 126.00-128.50. March 131.50-132.00.

Soyabean Oil—July 22.10-22.15 (21.70). Aug. 21.20 (20.95). Sept. 20.65-20.70. Oct. 20.20. Dec. 19.55-19.50. Jan. 19.00. March 18.50-18.60. May 18.30-18.35. July 18.00-18.05. Aug. 17.60-17.75.

Sugar—Spot 15.50 (16.25). July 15.30-15.65 (15.81). Sept. 15.05-15.25 (15.33). Oct. 14.90-15.10. Jan. 14.25 nom. March 14.20-14.30. May 14.05 nom. July 13.80 nom. Sept. 13.56-13.65. Oct. 13.40-13.55. Sales 4,977.

Tin—324.00-368.00 nom. (324.00-369.00 nom.).

**Wheat—July 307-306½ (309-310). Sept. 312½-312 (315). Dec. 320½-321. March 329½.

WINNIPEG, May 29. ††Rye—May 215, July 215 bid. Oct. 207½ bid. Dec. 202½.

cOats—May 168½ bid. July 164½. Oct. 153½ asked. Dec. 153.

§Barley—May 238½. July 233. Oct. 214½ bid. Dec. 210.

dFlaxseed—May 779. July 779 bid. Oct. 760. Nov. 750. Dec. 710 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 476½ (476¼).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 34-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

The Property Market

BY JOHN TRAFFORD

C&C's major letting to Chemical Bank

THE developer with expensive office space to let in London can breathe a little more easily today: the most expensive wing of Capital and Counties prestige office block Arundel Great Court in the Aldwych, London, has been let to the American bankers Chemical Bank. What is more, although the asking rent of around £15 a square foot was not achieved the developers were not routed and did obtain a rent level which represents, in their view, a satisfactory deal.

The Strand Wing of the development, which is the one taken by Chemical Bank, is a peculiar mixture. There are offices on the ground to eighth floor totalling about 90,000 square feet, 8,100 square feet of (seven) ground floor shops and 19,400 square feet of lower ground shop storage.

That was the package for which Capital and Counties was asking an annual rental of £1.41m. Before it can move in, Chemical Bank has two main tasks. One is to get vaults and telecommunications facilities installed. The other is to let five of the shops to suitably upmarket tenants (the other two shop areas are likely to be taken by the bank itself extending the ground floor banking hall).

Capital and Counties (who were in partnership with Legal and General Assurance on the development) says its letting agents, Matthews and Goodman, are already negotiating with potential tenants on the Arundel (113,000 square feet) and Surrey (126,000 square feet) Wings. If those negotiations are successful, the whole development will have been let: Barclays Hotels took a pre-let of the Howard Hotel premises facing the River Thames.

From the country's point of view the Chemical Bank deal has something of a pre-referendum flavour about it. Chemical Bank at present employs about 350 people in the U.K. in six separate locations in London. Of all Chemical Bank's European operations, London is at present by far the largest in staff numbers. The bank's intention is to expand rapidly here so that by the time it moves into Arundel Great Court at the beginning of next year, it will be employing substantially more people. No decision has yet been taken on subletting part of the office space. Sinclair Goldsmith acted for the banks.

With Chemical Bank's decision, Aldwych could become the focal point of U.S. banking in London. Already First National City Bank occupies the block on the old Gaiety Theatre site, a short distance down the road.

Some London rents go down

"WE'RE RIGHT back to 1972 rent levels in the West End" remarked one London agent this week. The comment is supported by one letting and one asking rental for central London office space which make the £10-11 a square foot level in Mayfair and Knightsbridge look distinctly expensive.

In the upper part of Regent's Street, solicitors A. E. Hamlin and Company have taken an 18-year lease on 6,500 square feet of offices in Roxburghe House at a level reflecting a rent of only £4.50 a square foot.

The accommodation is on the two top floors of the building and Goldenberg and Company, who acted for the purchasers, say the premises are well maintained and better than the average for Regent Street office space.

Back in October when the space was first put on the market by Gross Fine and Krieger Chalfen, who acted for the professional firm who were the vendors, a premium of £37,500 was being asked on the lease. The deal now concluded at a rent of £4.23 a square foot includes an almost nominal premium payment of about £5,000. The lease runs from March 1973 for 20 years with five year reviews so no-one can say there is anything particularly remarkable about the deal —except the price. "Similar accommodation could have been let 18 months ago for well over double the figure," comments Goldenberg.

Another office premises which has been on the market for the past six months as the lettings market has declined is 146/148, Cromwell Road, just by the West London Air Terminal. This property, with an office content of 9,800 square feet has still to be let and the Institution of Production Engineers, which is moving to Ealing, has instructed its agents, Garrard Smith, to offer it at £4.50 a square foot. Last October when the building was first put on the market, the asking rent was £7.00. This was later cut to £6 a square foot and, when the premises remained unlet the vendors finally opted for £4.50.

The building was refurbished by Haslemere Estates before the IPE took it in 1971 and has central heating, double glazing, a lift and full carpeting. It even has air conditioning on the ground and first floor. Like the Regent Street property, the 20-year lease (which commenced in 1971) has five-year reviews.

Extreme caution is needed whenever apparently atypical deals are done unless one has complete knowledge of the circumstances of the vendors and the purchasers. The market will doubtless be watching to see whether this apparent pattern of very low rents finds an echo in the coming weeks.

Walker & Greene in Manchester

IT HAS taken English and Continental Properties little more than six months to get an outline planning consent for its mammoth redevelopment scheme on the 23-acre Central Station site in the centre of Manchester.

The company put in its application last October and got the consent on April 30. Under the scheme there would be an 84,000 square feet Trade Centre (with 500 seat theatre); a 117,000 square feet Exhibition Hall (using the 210 feet span arches of the disused station); 750,000 square feet of offices (including a 407 feet tower, the tallest building in Manchester); a hotel, housing, shopping and leisure facilities; and space for 1,680 cars; and landscaping.

Jack Walker, who runs E and C with Ramon Greene, says that the scheme was devised back in January 1973, at a think-tank session in Copenhagen and has been developed in consultation with Manchester Corporation in the months since then. Not surprisingly, he is reluctant to give a current estimate of total costs, preferring to say that the development would involve "a hell of a lot of money."

For the time being it looks very doubtful that funds could be found to get the scheme moving. But the project is worth watching because it could well prove an important pointer to the future.

E and C at present own the freehold of the site (now a car-park for 3,500 cars interspersed with some shops) but it appears willing to consider a partnership deal with the local authority and a suitable institution or institutions. Mr. Silkin's favourite institution, on the question of co-operation with local authorities, is the Post Office Pension Fund which he mentioned as providers of £24m. to the Milton Keynes Development Corporation when he spoke at the British Property Federation lunch in London earlier this month. Bernard Thorpe are the Post Funds advisers on property investment and have also been retained by Jack Walker and Ramon Greene to advise on their Manchester scheme.

Hillier Parker & Lyon Ireland

HILLIER Parker May and Rowden are taking over as project managers of Lyon Group Ireland's prize property, the redevelopment of the old St. Vincent's Hospital site in St. Stephen's Green, Dublin. The move comes into effect immediately but I expect Keyser Ullmann, the merchant bankers, to appoint two receivers to the development (on which it has a charge) in the near future.

Management of the scheme, comprisnig 74,100 square feet of offices and 12 flats totalling 12,455 square feet, is thus passing from Mr. Len Jackson, managing director of Lyon Group, Ireland, and his colleagues, to Hillier Parker.

The situation at present is that Cork Gulley, as liquidators to the failed Lyon Group, are the controlling shareholders in Lyon Group Ireland. It would have been possible, in theory at least, to allow the existing Lyon Group Ireland management to complete the St. Stephen's Green development but it seems that the financial backers have preferred to chose an arm's length project management job carried out by an independent firm of surveyors. The choice of Hillier Parker is natural enough since Keyser Ullmann have retained them to advise on much of their property involvement.

The development is expected to be completed by November and will probably have cost around £3m. in all, including the site. There should be little difficulty in selling leases on the flats since demand in Dublin is buoyant at present but it will be interesting to see how the letting (and/or the sale) of the offices goes.

Jones Lang Wootton's Dublin office had been appointed letting agents by Lyon Group Ireland but this arrangement has now been terminated and Hillier Parker, along with the important Dublin agents Lisney and Son, have been appointed in their place. Prime, modern office space in Dublin is at present fetching around £3.20 a square foot.

Clarebrooke in Gloucester

CLAREBROOKE HOLDINGS has set itself a challenge—to let its new spec. office block in Gloucester, the 38,200 square feet Heathville House, at £2.88 a square foot when the highest rent achieved to date in the city has been £1.75.

The developers point out that their building has certain plus points compared with other space in Gloucester, in particular air-conditioning and a generally high specification.

To whip up interest Clarebrooke is offering to take potential tenants to Gloucester by helicopter from Battersea Heliport. Those who are willing to put up with the noise and discomfort of a helicopter for the two hours may well feel their time has been well spent.

At present Gloucester has about 120,000 square feet of modern office space available including the two buildings mentioned and Threshdale's Barton House (35,000 square feet). Apart from ICI, the big white-collar employers in the area are the Central Electricity Generating Board (250,000 square feet at Barnwood) and the Land Registry (35,000 square feet in the city centre).

But the local agents Bruton Knowles, who along with Anthony Lipton are agents for Heathville House, appear confident that the potential supply of suitable clerical staff for London-based companies relocating in Gloucester is good—and a good deal better than the cities in the south and west that have had most of the publicity in the past few months.

Heathville House itself is interesting in a number of ways because it well illustrates the thinking of developers who are looking for the relocation client who may wish to move his headquarters from London but who equally well may be thinking of moving no more than one department or the computer department to Gloucester.

Clarebrooke says it has three possible serious inquiries since it put the block on the market last November. One is Trident Insurance (already in Gloucester with 10,000 square feet of space at Renslade House). The second is another insurance company. The third is, perhaps not surprisingly, the Property Services Agency.

Architecture gains a lease

By H. A. N. Brockman, Architecture Correspondent

AN important stage in the future on the Architectural Association has just been reached by an agreement with its present landlords for a further period of 51 years' lease of the Association's premises in Bedford Square when the current lease expires in 1976.

This is a substantial benefit in a long period of uncertainty during which the Association had been faced with a big increase in the cost of the lease, which is held from the Trustees of the Bedford Estate. Now that the property situation has moved in the AA's favour, it can at least see the way to staying in the fine premises the Association has occupied since 1917.

The negotiations were carried out on behalf of the AA by D. E. and J. Levy for the payment of a capital sum which I am reliably informed approaches £¾m. and which will secure the buildings as a home until 2027.

The AA occupies three 18th century houses which gross 30,000 square feet in area, where it runs the oldest architectural school in the country, having been founded in 1847. As the only independent school left outside the binary system it was threatened with closure in 1970. Nevertheless, the numbers of students have increased since that year from 477 to 608 and the annual turnover from £290,000 to £¾m.

OUT AND ABOUT

● A British investment group has sold the 4,000 square metre Galerie de l'Ange shopping centre at Namur, Belgium, to the Belgian insurance company Les Assurances du Credit. The shopping centre runs between the town's two main trading streets, the rue de l'Ange and the rue de la Monnaie. It contains 21 shop units and 600 square metres of office space. The annual rent roll is about B.Frs.6m. Healey and Baker acted for the vendors.

● Slough Metals, a subsidiary of the Development Enterprises Group of Companies, has bought 2.75 acres of industrial land on the outskirts of Devizes known as Roundway Mill. The price asked by Sturge, Carter, Jonas of Swindon, acting on behalf of the vendors, Imperial Foods, was £90,000.

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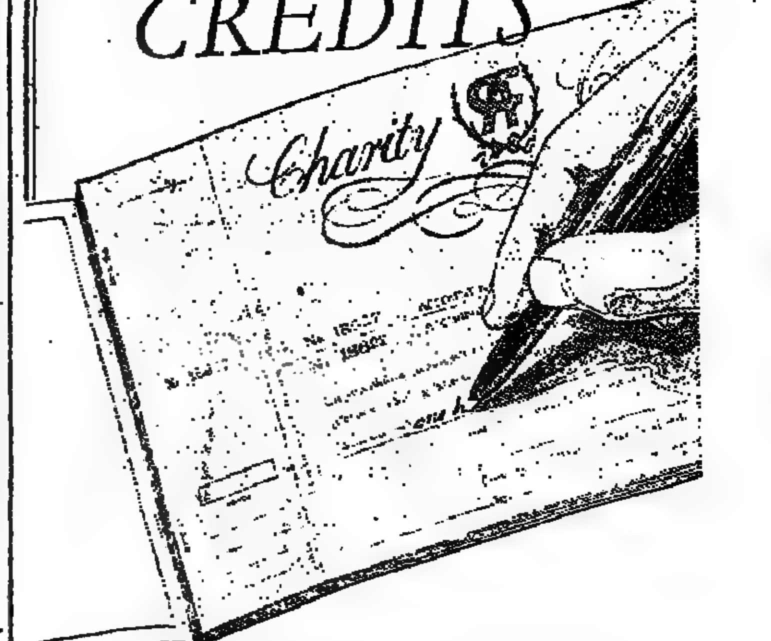

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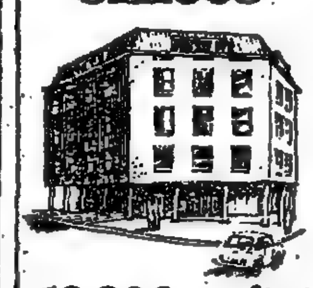

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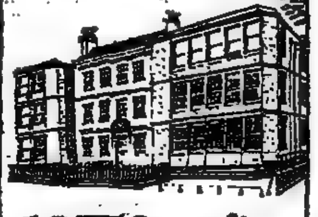

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ODEON LEICESTER SQUARE. (930 6111) PAPER TIGER (A). Cont. Progs. Wk. 2.00, 3.45, 6.00, 8.15. Sun. 3.45, 6.00, 8.15. Late show Sat. 11.15.

ODEON ST. MARTINS LANE. (836 0591/1811.) Claude Lelouch AND NOW MY LOVE (X). (Toute Une Vie) Sep perfs. Wk. 1.00, 4.30, 8.00. Sun. 4.30, 8.00. Late show Sat. 11.30. All seats bkble.

PLAZA 1 & 2, Lower Regent St. (formerly Paramount and Universal). All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. PLAZA 1 Progs. 2.45 7.30 Late Show Fri. & Sat. 11.45. PLAZA 2 Progs. 2.15 7.15 Late Show Fri. & Sat. 11.30.

PRINCE CHARLES, Leic. Sq. 437 8181. The Sensation of London. EMMANUELLE (X) Sep Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Lte Show 11.45 Fri. & Sat. Seats Bkble. Lic'd Bar.

SCENE 2, Leic. Sq. (Wardour St.) 439 4470 Cont Perfs. Dly. from 12.30. Lte. Show 12.05 (inc. Sun.) YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45, 12.05.

SCENE 3, Leic. Sq. (Wardour St.) 439 4470 THE TOWERING INFERNO (A). Sep. Perfs. Dly (inc. Sun.) 2.00, 5.20, 8.40. Special Late Show 11.45 Nightly. A BIGGER SPLASH (X) Seats Bookable.

SCENE 4, Leic. Sq. (Wardour St.) 439 4470 2nd YEAR. The Film Everybody's Talking About. THE EXORCIST (X) Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00, 11.30. Box Office Open Daily 10-8. Sun. 12-8 Seats Bookable—All Perfs.

CINE CENTA (1). 935 9772. A BIGGER SPLASH (X). Dly. 1.00, 3.00, 5.00, 7.00 and 9.00. Late show every night 11 p.m.

WARNER WEST END Leicester Square. Tel: 439 0791. 1. IT'S ALIVE (X). Cont. Progs. 2.40, 4.35, 6.35, 8.35. Late show Fri. and Sat. 11. 2. Steve McQueen, Paul Newman THE TOWERING INFERNO (A). Sep. Perfs. 1.15, 4.35, 8.05. Late show Fri. and Sat. 11.35. £1.60 seats bkble. 3. Jack Lemmon, Anne Bancroft THE PRISONER OF 2ND AVENUE (A). Sep. Perfs. 2.30, 6.30, 8.30. Late show Sat. 11.00. All seats bkble.

CORPORATION LOANS

13%

INVEST IN
HUNTINGDON DISTRICT COUNCIL
BONDS
Repayable 20 September 1977
Details from
Huntingdon District Council
Finance Department
Castle Hill House
Huntingdon
Tel. (0480) 54377 ext 29

APPOINTMENTS

APPOINTMENTS WANTED

COMPANY NOTICES

ENSO - GUTZEIT OSAKEYHTIO

8% 1973/1988 FF 100,000,000

NOTICE IS HEREBY GIVEN to bondholders of the above Bonds that the amount redeemable on July 16, 1975 i.e. FF 2,000,000 was bought in the market.

Amount outstanding: FF 96,000,000.

Luxembourg, May 30, 1975

THE FISCAL AGENT
KREDIETBANK
S. A. Luxembourgeoise

ANGLO-TRANSVAAL INDUSTRIES LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 6.5% LOAN STOCK 1971/75
CLOSING OF REGISTERS

NOTICE IS HEREBY GIVEN that the registers in respect of the above-mentioned stock will be CLOSED from 17 to 30 June 1975, both days inclusive, for the purpose of payment of interest for the period 1 January to 30 June 1975.

Anglo-Transvaal Consolidated Investment Company, Limited,
Secretaries
per: K. J. CONNOR

Anglovaal House,
56 Main Street,
Johannesburg.
London Secretaries:
295 Regent Street,
London W1R 8ST.
30th May 1975.

GEORGE ARMITAGE & SONS LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER REGISTER for 6% CUMULATIVE PREFERENCE SHARES will be CLOSED from the 17th to the 30th June, 1975, both dates inclusive.

By Order of the Board,
D. J. THORNTON, Secretary

Robin Hood,
Wakefield, WF3 3BP.

DUNLOP HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 3½% First Mortgage Debenture Stock of the Company will be CLOSED from the 17th to 30th June 1975 both dates inclusive.

D. C. RISSIK,
Secretary.

Dunlop House,
Ryder Street,
St. James's,
London SW1Y 6PX,
30th May 1975.

THE GRAND HOTEL COMPANY, BRISTOL, LIMITED

NOTICE IS HEREBY GIVEN that the REGISTERS of the Company's Perpetual First Mortgage Debentures and 6½% Cumulative Preference Shares will be CLOSED from the 16th to the 30th June, 1975, both days inclusive.

By Order of the Board,
E. B. COX, Secretary.

VIKING RESOURCES INTERNATIONAL N.V.

Curacao Netherlands Antilles

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Shareholders of Viking Resources International N.V. has been called by the Manager, Caribbean Management Company.

The Meeting will take place at John B. Gorsiraweg 6, Willemstad, Curacao, Netherlands Antilles on 20th June, 1975, at 10.30 a.m.

AGENDA

1. To consider the Report by the Manager of the Company on the business and the conduct of its affairs during the fiscal year ended 31st December, 1974.
2. To consider and, if thought fit, approve the Statement of Assets and Liabilities as of 31st December, 1974 the Profit and Loss Account for the fiscal year ended 31st December, 1974, and the Statement of sources of net assets as of 31st December, 1974, as audited by the Independent Accountants of the Company.
3. To declare a cash dividend of U.S.$0.18 on the ordinary shares outstanding as of 23rd June, 1975 and payable as from the same date.
4. To ratify, confirm and approve the acts of the Management and the Supervisory Board in respect of the fiscal year ended 31st December, 1974.
5. To elect the Supervisory Board.
6. To re-elect the Manager of the Company.
7. Any other business.

The items mentioned under 1 up to and including 6 are recommended by the Supervisory Board for approval by the General Meeting of Shareholders. Details may be obtained from the offices of the Company at John B. Gorsiraweg 6, Willemstad, Curacao or from the Paying Agent mentioned hereunder. Shareholders will be admitted to the Meeting on presentation of their certificates or of vouchers, which may be obtained from the Paying Agent against delivery of certificates on or before 13th June 1975.

Willemstad,
Curacao.
31st May 1975

CARIBBEAN MANAGEMENT COMPANY.

Paying Agent:
Pierson, Heldring & Pierson,
Herengracht 214, Amsterdam.

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the Transfer Books of the Debenture Stocks of the Company will be CLOSED for one day only on the 10th June, 1975 for the preparation of the Warrants for Interest payable on 1st July, 1975.
Dated this thirtieth day of May, 1975.

W. A. COSGROVE
Secretary.

Blackwell House,
Aldenham Road, Watford,
Hertfordshire, WD2 2EY.

NOTICE TO WARRANT HOLDERS AND SHAREHOLDERS

GOVERNMENT GOLD MINING AREAS (MODDERFONTEIN) CONSOLIDATED LIMITED

(UNDER PROVISIONAL JUDICIAL MANAGEMENT)

(Incorporated in the Republic of South Africa)

1. Notice is hereby given that an extraordinary general meeting of members of the Company will be held at the Stock Exchange Auditorium, Eighth Floor, Stock Exchange Building, cor. Fox and Sauer Streets, Johannesburg, on the 23rd day of June, 1975, at 4 p.m., for the purpose of considering and, if deemed fit, passing the following Special Resolutions, with or without modification—

"RESOLVED

A. That the authorised share capital of the Company be increased from R140 000 to R1 420 000 by the creation of—
   (a) 5 600 000 new ordinary shares of five cents each, and
   (b) 1 000 000 new preference shares of R1 each, with the following rights attaching thereto—
      (i) accumulative preferential dividend of 6% per annum,
      (ii) preference over the ordinary share capital of the Company,
      (iii) be redeemable at the option of the Company at any time after a period of ten years, calculated from the date upon which the Offer of Compromise presently before the Creditors of the Company, is sanctioned by the Court,
      (iv) carrying voting rights pari passu with the voting rights exercisable in respect of the ordinary shares of the Company.

B. That the unissued ordinary shares of the Company be placed under the control of the directors of the Company."

2. The terms of the Special Resolutions are set out in (1) above.

3. The reasons for the passing of the Special Resolutions, in summarised form, are as follows—
   (a) The Company is presently under provisional judicial management;
   (b) The Company's liabilities exceed the estimated realisable value of its assets substantially;
   (c) An offer of compromise ("the Offer") has been submitted to the Company's creditors for consideration;
   (d) It is one of the conditions precedent of the Offer that members pass the above proposed Special Resolutions failing which the Offer, even if accepted by creditors, will fall away and the Company will have to go into liquidation, in which event members will lose their total investment in the Company.

4. The effect of the proposed Special Resolutions is as follows—
   (a) The Company's authorised share capital will be increased from R140 000 to R1 420 000 by the creation of new ordinary and preference shares;
   (b) The preference shares will be issued to creditors in terms of the Offer;
   (c) The unissued ordinary shares are to be placed under the control of the directors.

5. A copy of a more detailed notice to shareholders and proxy forms can, on application, be obtained from the Company's transfer office in London, 6, Greencoat Place, London, SW1P 1PL.

6. Any member who is entitled to attend the meetings and vote thereat has the right to appoint one person as his proxy to attend the meetings in his stead and to attend and vote on his behalf. Such proxy need not be a member of the Company. Completed proxy forms must be received at the undermentioned address at least 24 hours before the meetings.

BY ORDER OF THE WITWATERSAND LOCAL DIVISION OF THE SUPREME COURT OF SOUTH AFRICA

R. R. BARNES, Chairman.

Metrust Limited,
5th Floor, Cape House,
Maclaren Street,
Johannesburg 2001
Republic of South Africa.
30th May, 1975.

CONTRACTS AND TENDERS

EAST AFRICAN HARBOURS CORPORATION
Dar Es Salaam, Tanzania

CONSTRUCTION OF A LIGHTER WHARF AT TANGA
PRE-QUALIFICATION OF CONTRACTORS

1. The East African Harbours Corporation, Tanzania, hereby invites experienced contractors, who wish to tender for the construction of a lighter wharf at Tanga, to register with the consulting engineers, Messrs. Bish and Partners B.V., Holland.
2. The East African Harbours Corporation has entered into a loan agreement with the International Bank for Reconstruction and Development. The pre-qualification of contractors will be subject to approval by the bank.
3. The works comprise the construction of a quay wall, length approximately 240 m., in front of old loading facilities for lighters and ancillary works. The works are likely to be tendered as:
   Alternative 1: Steel Sheet Piled Wall.
   Alternative 2: Open Type Quay Wall with Precast Concrete Elements.
4. The works under this contract are scheduled to commence in the third quarter of 1975 and to be completed within nine months from the date of commencement.
5. Applicants are required to furnish detailed information about their company, including names of directors and/or partners, registration, details on paid up capital, affiliations, bankers, turnover figures during the last five years and particulars of works similar to those advertised.
6. Contractors who have already applied for pre-qualification following the previous advertisement need only confirm that they are still interested, their attention is drawn to the later commencement date of the works.
7. Contractors having experience in this field are requested to submit all required data to both of the following addresses:

Consulting Engineers	Consulting Engineers
Bish and Partners B.V.	Bish and Partners B.V.
P.O. Box 2378	P.O. Box 1821
The Hague	Dar Es Salaam
The Netherlands	Tanzania

The pre-qualification documents including all information listed under item 5 or reconfirmations as under item 6 should reach the addresses in The Hague and Dar Es Salaam not later than 17th July.

Contractors are advised to make despatch by registered mail or recorded delivery.

PERSONAL

NORTH SEA OIL REVIEW

BY ADRIAN HAMILTON

Contradictory evidence about the pace of exploration

IN A FLURRY of rig movements over the last few weeks several interesting, although not necessarily spectacular, oil finds have been made and a number of important exploration wells started. In addition to the significant oil discovery by the Conoco/Gulf/NCB group on block 3/2 to the north-west of the Ninian Field, both the Monsanto / Deminex and the Zapata wells on blocks 15/21 and 21/2 respectively are reported to have encountered oil shows. The Phillips group meanwhile has announced the successful completion of a confirmation well on its part of the Andrew Field. British Petroleum has returned to drill a delineation well on its potentially sizeable Magnus Field in the far north and Burmah has returned to drill a further well on its Thistle block.

• Whether these finds, coming on top of the recent discoveries by Shell/Esso, Texaco, Siebens and Pan Ocean, are sufficient to revolutionise the current prospects for the North Sea is debatable. Certainly the drop to 25 in the number of rigs operating in the North Sea (excluding the Britannia working on the Viking gas field area) tends to support those who have argued that exploration work is declining at present. While there is likely to be a number of new rigs entering the area, some rigs are also being released by companies for work elsewhere including Conoco's Norjal (to Ireland to work for Marathon), the Havdrill (which has already left for Labrador) the Sedneth I (which is going to West Africa), and BP's Sedco K (which is likely to go to South Africa towards the end of the year). And at least two rigs originally destined for the North Sea, the Aker Haakon Magnus and the Chris Chenery, now seem unlikely to work initially there.

Committed

But the pace of additional finds this year, on the other hand, equally supports the view of those who believe that there is more oil to be found—albeit not necessarily in large accumulations—and that the oil companies are still committed to considerable programmes of exploration work over the next two years before licence returns for the third and fourth rounds have to be considered.

The most important new oil find appears to be that by Conoco on block 3/2 close to the Ninian Field north-east of the Shetlands. With an announcement unlikely before next week, no details of the discovery have yet been revealed. As the well has still to be tested, it would be premature to greet it too enthusiastically. But the well is known to have encountered "significant shows" of oil in a substantial oil column. The structure, which stretches into Total's blocks 3/1 to the west, is known to be an attractive, moderate-sized one and the feeling in the industry at the moment is that it could add substantially to reserves in the Ninian area at a time when the withdrawal of the Unocal group from the Ninian pipeline makes such additional reserves a useful proposition.

Phillips' well on block 16/27, meanwhile, confirms the expected extension of BP's Andrew Field from block 16/28 westwards into the Phillips block. The latest well, according to the announcement yesterday, tested oil at a rate of around 6,800 barrels per day through a ⅞-inch choke from the Palaeocene sandstone formation and was drilled about one mile from the previous BP discovery well on 16/28.

The result seems to have largely confirmed what was expected and is certainly useful in proving up reserves in the Maureen/Andrew region. It is still doubtful though whether it has taken expectation that much further. The Andrew Field is not a large one, at an estimated reserve of around 200m.-300m. barrels of recoverable reserve (about the same or perhaps a little larger than Maureen) and is still probably in the "marginal" category despite the strong prospects for tying output into the Forties Field line to the west.

What the drilling does raise, however, is the possibility of building up a number of small accumulations in the area and it is to this end that BP, with intermittent success, is now applying itself. A recent well, drilled with the troublesome Havdrill ship on a separate structure in block 16/28, unfortunately had to be abandoned earlier this month before reaching the critical depth but the company has now brought in its old workhorse, the Sea Quest, to drill on another separate structure on the block and seems reasonably confident of finding more oil in the region.

More intriguing, in some ways, is the drilling now going on in the East Moray Firth region. Sparked off by the Occidental, Texaco and Transworld Jurassic finds, a number of companies is now drilling in the area with some signs of success. Transworld itself, drilling a second well on its potentially commercial 21/1 discovery, has regrettably hit problems. According to reports in the industry, the well went into the producing zone much higher than expected, despite the short length of the step-out, and had to be hurriedly plugged with cement plugs and a deviated well started from higher up in the formation. The fact that the well did enter the oil zone in this fashion is encouraging in that it could imply both a larger reserve with more of the upper producing sands. But it means a considerable delay, probably into July, for the completion of this crucial appraisal drilling.

The Zapata/Clinton well on block 21/2 is on a separate structure about 7 miles east of the Transworld Field. Drilling has continued since early February and the group is now attempting to start testing. At this stage the early results would seem reasonably encouraging. But it is doubtful whether it is a large field and, like the Transworld find, it is reported to have problems in the quality of the Jurassic sands, which lie deeper than the Transworld field.

The same may be said of the Monsanto/Deminex drilling on block 15/21 to the south-west of the Piper Field and south of Texaco's discoveries on blocks 14/20 and 15/16. Again the initial results are believed to show some encouraging signs from the formation intervals tests done so far. But full testing has yet to be carried out and it's too early to predict the likely results.

Of the other exploration drilling being carried out at the moment, Conoco/NCB/Gulf's well on 9/19, south-east of the Beryl Field is considered particularly interesting. Total seems to have shown some enthusiasm for its 16/22 well, north of the Andrew Field. Shell/Esso is now completing a second well on block 211/13, east of the Magnus Field, following its tantalising but generally disappointing first well on this major structure. British Petroleum has now finally started a wildcat on its deep-water block, 210/13, at the north-western end of the Viking Graben, where it has three blocks, and Sun is now preparing to start a well on 16/21, to the west of Total's latest hole.

Of the appraisal well being carried out, BPs return to the Magnus Field is especially important. The first well reached the bottom of the producing horizon without establishing a water contact and is reported to have found oil, unusually, in the upper Jurassic just at the unconformity.

The picture which seems to be emerging from all this drilling is a steady, and generally encouraging, search for additional reserves in highly-complex geological conditions. The possibility of large finds is still there.

But the conditions, despite some of the over-exuberance of recent announcements, does not make for easy extrapolation from individual wells. The Transworld discovery and the Pan Ocean finds open up the way for considerable further drilling in the deeper Jurassic horizons and in the complex "plays" of the southern part of the Viking Graben east of the Orkneys and to the east of the Moray Firth region. Quality of the sands does seem to deteriorate, however, as they go south from the major East Shetlands finds, presenting considerable problems in some cases of porosity and permeability. The area is highly complex, with considerable faulting which makes correlation between finds extremely difficult (as seems to be the case between the Transworld and Zapex finds). Added to this, individual finds could present special problems in production.

In this connection, last week's rights issue document by Siebens Oil and Gas has raised a number of questions. Its suggestion that the group's 2/10 discovery could, on the basis of one uncompleted and untested well in a stratigraphic trap, contain 3-600m. barrels of recoverable reserves is just that—an estimate. But one would like to know in greater detail on what it is based. The calculation of an oil content of some 825 barrels per acre foot is exteremely high by North Sea standards and the estimate was given without support from an independent report of outside consultants.

The whole question of giving reserve estimates when raising money is a thorny one. Outside consultants tend to be too conservative, internal assessments by the company itself are obviously open to question particularly in the field of geology, where a given set of data can be made to support widely varying predictions. There is no reason to believe that the Siebens find (which, incidentally, according to document, may run into Total's acreage on Block 3/6 immediately to the east) is not a potentially interesting one. But considering the dramatic and bullish response to the rights issue last week, it is surely time that some questions were asked about the general principles on which any money-raising operation should be based.

U.K. RIG ACTIVITY

GROUP	RIG	LOCATION	GROUP	RIG	LOCATION
Amoco/GC	Sedco 135F	211/27-4	Occidental	Ocean Victory	14/19-8
BP	Sea Quest	16/28-3	Occidental	West Venture	210/29-1
BP	Sedco 703	210/13-1	Phillips	Ocean Rover	16/27-1a
BP	Sedco K	211/12-2	Shell/Esso	Sedco 135G	211/26-4
Burmah	Ocean Kokuei	3/3-5	Shell/Esso	Sedco 700	211/13-2
Burmah-Signal	Blue Water 3	211/18-8	Shell/Esso	Staflo	22/2-1
Conoco/NCB	Britannia	49/16-ED2	Sun	Sedco 702	16/21-1
Conoco/NCB/Gulf	Norjarl	3/2-1a	Texaco	Zephyr 1	14/20-2
Conoco/NCB/Gulf	Pentagone 82	9/19-1	Texaco	Drillmaster	3/4-6
Conoco/NCB/Gulf	Venture 1	15/20-1	Texaco	Sedneth 701	15/16-3
Mobil/GC	Sedco 704	9/13-9a	Total	Zapata Ugland	16/22-1
Mobil/GC	Transworld 61	9/13-8	Transworld	Western Pacesetter	21/1-2
Monsanto/Deminex	Borgny Dolphin	15/21-2	Zapex	Waage 2	21/2-1

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Day-to-day credit was in full suppl in the London money market yesterday, and books were balanced without official intervention—although not without difficulty in some quarters. Banks had carried ov rea surplus from Wednesday, and Government disbursements were greater than revenue transfers to the Exchequer, while there was a fall in the note circulation, but the market faced a net take-up of Treasury bills, the authorities held maturing banks and local authority bills, and gilt-edged settlements continued to run against the market's favour.

Discount houses paid 8¾ per cent. commonly for secured call loans in the earlier part, and 9-9¼ per cent. commonly in the later, but balances were taken at levels down to 7½ per cent., and up to 10 per cent. In the inter-bank market, overnight loan were in a rough range in places of 8¾-9¼ per cent.

The one-month sterling certificate yield was unchanged on the day, at 9¾-9⅞ per cent., and the three-month unchanged, at 9$\frac{13}{16}$-9$\frac{15}{16}$, but the one-year fell to 11⅛-11¼ per cent., from 11¼-11⅜ per cent.

Rates in the table below are nominal in some cases.

May 29 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	—	8¾-9¼	8½-9½	—	—	9-9½	7½-10	—	—	—
2 days notice	—	—	9-9¼	—	—	—	—	—	—	—
7 days or 7-days notice	—	8⅞-9⅜	9¼-9⅜	—	9¾-10½	—	9-9¼	—	—	—
One month	9⅝-9½	9⅜-9⅝	9½-9⅝	10-9½	10-10¼	—	9-9½	9⅞-9$\frac{15}{16}$	9¾	10⅝-11¼
Two months	9$\frac{11}{16}$-9$\frac{13}{16}$	9$\frac{11}{16}$-9⅞	—	10-9½	—	—	9¼	9$\frac{13}{16}$-9$\frac{15}{16}$	9¾-9⅝	10½-11¼
Three months	9$\frac{13}{16}$-9$\frac{15}{16}$	9$\frac{13}{16}$-9$\frac{15}{16}$	10-10⅛	10-9½	10½-11¼	—	9⅝-9¼	9½-9$\frac{13}{16}$	9¾-9$\frac{15}{16}$	10⅝-11¼
Six months	10⅝-10¼	10$\frac{1}{16}$-10$\frac{3}{16}$	10⅛-10½	10½-10	—	—	—	—	10⅛	10¾-11⅜
Nine months	10⅞-10¾	10⅝-10⅞	—	11⅛-10¾	—	—	—	—	—	—
One year	11⅛-11¼	11⅛-11$\frac{3}{16}$	12¼	11¾-11¼	—	—	—	—	—	—
Two years	12⅛ 11⅝	11¾-12⅛	12¼-13½	12¼-11¾	—	—	—	—	—	—

Local authority and finance houses seven days' notice; others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13¾-13⅞ per cent.; four years 14-14¼ per cent.; five years 14-14¼ per cent. ♦ Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills 9$\frac{15}{16}$-10¼ per cent.; and four-month trade bills 10¾-11¼ per cent. Approximate selling rate for one-month Treasury bills 9¾-9$\frac{13}{16}$ per cent.; two-month 9$\frac{25}{32}$-9$\frac{13}{16}$ per cent.; three-month 9¾-9$\frac{13}{32}$ per cent. Approximate selling rate for one-month bank bills 9$\frac{15}{16}$-9¾ per cent.; for two-month 9$\frac{15}{16}$-9¾ per cent.; and three-month 9¾-9$\frac{13}{16}$ per cent.; for one-month trade bills 10-10¼ per cent.; two-month 10-11 per cent.; and three-month 10-11 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Bank Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4786 per cent.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank *	9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co. †	9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾%, and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7¾%.

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (70)

BRITISH FUNDS (1)
Savings 3pc '65-75

AMERICANS (8)
ASA — Honeywell
City Investing — Internatl. Hldgs.
Cont. Oil — Owens Illinois
Cutler Hammer — Shell Oil

CANADIANS (4)
Bank of Montreal — Rio Algom
Bk. of Nova Scotia — Royal Bk. of Can.

BUILDINGS (4)
Carr (John) — Internatl. Paint
Carron — Smart (J.)

CHEMICALS (1)
British Benzol

DRAPERY & STORES (3)
Empire Stores — Menzies (J.)
Henriques (A.)

ELECTRICALS (1)
United Scientific

ENGINEERING (10)
Ash & Lacy — Ductile Steels
Averys — Jones Group
British Steam — Shaw Francis
Cooper-Neill — Sheffield Twist
Cohen (A.) — WGI

FOODS (5)
Clifford Dairies A — Morgan Edwards
Hinton (A.)

INDUSTRIALS (12)
Mark & Edgington — Johnson Matthey
BM Press. — Liden
Corning (W.) — Ocean Wilsons
Cossons — Portland
Harris & Sheldon — Renolds Cons.
Hickling Assoc. — Wilkinson Match

INSURANCE (1)
Travelers

MOTORS (2)
Assoc. Engineering — Stocklins

SHOES (2)
Church — K Shoes

SOUTH AFRICANS (1)
Anglo Am. Ind.

TEXTILES (1)
Courtaulds

TRUSTS (6)
Brit. Ind. & Genl. — U.S. Trust Fund
Melbourne & Genl. — Hi-Org
Pres. Secs. Inv. — Inchcape

RUBBERS (1)
Chersonese

MINES (9)
Anglo American — Vogels
Anglo Am. Gold — Tanganyika Cons.
Anglo-Vaal — Acmex
General Mining — Great Boulder
Minorco

NEW LOWS (7)

BUILDINGS (1)
Brears Bros.

INDUSTRIALS (3)
Rosedale Inds. — Westminster & Cntry.
United Industrial

TRUSTS (1)
Northborough Invs.

OILS (1)
Burmah Warrants

TEAS (1)
Rue Estates

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	62	9
Corpns. Dominion and Foreign Bonds	7	—	64
Industrials	220	463	1,096
Financial and Prop.	46	221	352
Oils	3	14	15
Plantations	6	6	37
Mines	39	36	78
Recent Issues	10	12	35
Totals	321	712	1,686

DEARER POWER IN LIVERPOOL

An increase of up to 187 per cent. in gas and electricity charges for about 2,300 Liverpool Corporation families was agreed by the City Housing Committee yesterday.

BANK RETURN

—	Wednesday May 28 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	24,322,180	+ 1,164,641
Special Deposits	957,030,000	+ 8,020,000
Bankers	326,988,808	+ 14,614,274
Reserves & Other Accs.	397,798,639	— 12,245,007
	1,712,693,617	+ 3,533,368
ASSETS		
Govt. Securities	1,253,752,380	+ 30,880,000
Advance & Other Accs.	288,046,921	— 14,175,188
Premises, Equip't & other Secs.	165,163,782	+ 1,741,927
Notes	5,509,615	— 14,918,575
Coin	230,430	— 6,308
	1,713,693,617	+ 3,533,368
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,725,000,000	+ 50,000,000
In Circulation	5,719,490,385	+ 64,918,575
In Bank'g Dept.	5,509,615	— 14,918,575
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs.	5,140,592,051	+ 105,481,012
Other Securities	584,392,849	— 55,481,012
	5,725,000,000	+ 50,000,000

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

I.G. INDEX
GOLD 167-170

CORAL INDEX
Close 349-354

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

	Equity groups	Index No. Thu May 29	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net) Corp. Tax 52%	Est. P/E Ratio (Nil) Corp. Tax 52%	Wed May 28 Index No.	Tuesday May 27 Index No.	Friday May 23 Index No.	Thurs. May 22 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	126.18	—1.2	19.56	6.47	7.63	7.63	125.55	127.30	126.94	126.44	104.62	129.41 (20/5)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	107.43	—1.5	20.80	7.25	7.35	7.35	109.06	111.10	110.08	109.75	104.07	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (28)	230.53	—2.3	17.81	4.12	8.26	8.27	235.86	240.46	240.91	242.35	170.35	251.61 (25/4)	74.74 (6/1)	369.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	215.20	—1.9	17.40	5.47	8.28	8.28	219.52	222.43	225.54	221.12	197.62	229.60 (20/5)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	151.27	—1.2	22.65	7.14	6.59	6.59	153.09	156.46	156.97	155.55	108.83	159.79 (22/4)	64.39 (2/1)	202.57 (8/5/73)	64.39 (2/1/75)
6	Engineering (General) (65)	110.94	—0.4	19.75	7.19	7.42	7.48	111.40	112.35	111.77	111.45	86.02	112.99 (20/5)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	48.50	—0.2	15.37	9.76	11.24	11.09	48.59	48.97	48.51	48.34	35.48	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	115.83	—	20.80	6.67	6.95	6.95	115.82	117.69	116.71	116.30	95.92	118.38 (20/5)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	84.84	—2.3	21.47	7.28	6.88	6.86	86.85	87.64	87.78	86.45	84.15	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	94.53	—3.3	21.55	3.45	6.72	6.71	97.75	99.09	98.68	96.41	114.12	105.62 (10/3)	44.28 (6/1)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (15)	139.83	—0.4	30.18	7.60	4.79	4.79	140.36	140.12	139.88	138.33	152.30	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	46.76	—1.8	17.31	9.75	9.01	8.95	47.61	47.97	48.42	48.23	45.69	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	139.46	—1.5	14.66	5.89	9.62	9.61	141.53	144.14	143.59	142.85	111.18	145.61 (20/5)	61.98 (6/1)	226.08 (16/1/72)	61.41 (13/12/74)
14	Breweries (16)	152.52	—0.9	13.24	6.48	11.20	11.20	153.86	163.46	161.44	160.52	127.52	162.46 (27/5)	75.58 (6/1)	281.87 (22/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	164.43	—1.3	13.77	5.70	10.71	10.71	166.54	168.41	167.88	167.89	149.71	171.38 (20/5)	80.42 (6/1)	257.40 (15/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	149.89	—2.2	14.36	7.50	10.25	10.25	153.23	158.44	157.74	155.20	124.84	158.44 (27/5)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	149.94	—1.1	15.87	5.20	8.81	8.76	151.51	153.46	154.14	153.84	109.58	156.15 (20/5)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (18)	143.47	—1.6	10.82	4.35	13.59	13.59	145.77	146.64	145.52	144.01	101.48	146.64 (27/5)	57.15 (2/1)	235.08 (15/8/72)	54.35 (11/12/74)
19	Newspapers, Publishing (18)	144.71	—1.9	17.95	6.60	8.37	8.37	147.41	147.95	147.58	145.15	149.63	147.95 (27/5)	55.08 (6/1)	260.29 (15/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	101.20	—1.5	21.89	6.65	6.65	6.64	102.79	104.19	105.42	105.70	76.14	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	125.65	—1.3	10.96	5.16	13.64	13.64	127.32	129.24	128.61	126.44	90.46	132.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	140.58	—1.5	29.01	7.15	4.00	3.98	142.76	145.07	144.39	142.86	126.07	145.07 (27/5)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	185.49	—2.4	17.85	7.18	8.35	8.35	190.10	192.14	190.15	188.62	167.40	199.16 (10/3)	109.92 (6/1)	339.16 (2/5/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.68	—0.6	26.69	7.40	5.12	5.12	41.95	42.25	42.36	42.26	40.79	43.51 (25/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	178.03	+1.0	20.00	6.01	7.13	7.13	177.86	181.03	180.45	178.26	137.93	181.08 (27/5)	76.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	95.22	—1.6	15.00	5.57	8.97	8.97	96.72	97.72	99.27	97.92	112.34	104.78 (17/4)	46.34 (2/1)	240.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	377.26	—1.5	34.17	6.26	5.05	4.95	382.90	388.08	387.82	385.54	338.36	401.84 (10/3)	194.38 (6/1)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	147.86	—1.3	17.85	6.57	8.11	8.10	149.88	151.96	151.08	149.57	124.16	152.06 (20/5)	60.39 (6/1)	258.88 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	156.27	—1.2	17.23	6.01	8.28	8.27	157.96	140.12	139.76	138.79	115.91	141.94 (20/5)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	278.98	—0.5	26.38	5.44	4.07	3.79	279.86	282.24	279.85	274.59	230.75	282.24 (27/5)	109.64 (2/1)	461.80 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	148.28	—1.1	18.37	5.93	7.19	7.05	149.91	152.11	151.69	150.27	122.96	154.81 (20/5)	65.49 (6/1)	247.50 (18/6/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.73	—1.9	—	5.21	—	—	141.36	145.07	143.30	142.46	112.91	146.46 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	156.17	—1.3	23.69	6.04	6.28	6.28	158.30	158.89	166.79	152.78	130.02	164.68 (23/4)	62.56 (2/1)	288.52 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	152.73	—0.5	—	7.86	—	—	153.27	152.34	152.86	146.93	129.18	169.27 (7/3)	64.15 (6/1)	293.18 (2/5/72)	61.40 (10/12/74)
35	Hire Purchase (5)	84.21	—13.3	29.64	10.86	4.49	4.11	97.18	102.22	99.89	100.08	202.94	154.39 (10/3)	42.81 (6/1)	433.73 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	115.61	—2.3	—	5.80	—	—	118.36	120.64	120.76	120.11	93.62	127.97 (25/4)	44.88 (2/1)	194.46 (10/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	113.64	—2.4	—	8.80	—	—	116.42	118.47	118.96	118.74	76.66	123.90 (20/5)	44.47 (6/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	200.18	—0.4	10.03	4.38	14.79	14.79	201.06	201.57	205.86	205.45	148.80	211.30 (20/5)	68.96 (7/1)	262.57 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (19)	84.61	—1.6	—	7.39	—	—	85.97	86.58	86.94	87.35	101.05	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	204.29	—1.6	4.02	3.07	36.49	35.54	207.61	210.58	213.80	216.67	155.02	241.32 (22/4)	66.19 (7/1)	357.40 (6/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	72.04	—0.5	15.80	9.01	9.16	9.07	71.70	72.09	71.60	71.52	97.34	75.78 (23/4)	34.78 (10/1)	305.15 (18/6/72)	34.29 (17/12/74)
42	Investment Trusts (50)	169.35	—0.8	2.96	4.09	33.78	33.78	170.62	171.86	171.86	172.61	125.06	174.54 (20/5)	78.44 (6/1)	246.79 (25/4/72)	71.66 (13/12/74)
43	ALL-SHARE INDEX (650)	146.46	—1.2	—	5.67	—	—	148.27	150.30	149.96	148.87	120.12	152.07 (20/5)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	517.64	—0.2	10.02	8.30	11.82	11.30	518.46	522.42	525.43	520.02	410.12	525.43 (23/5)	281.66 (2/1)	555.57 (23/7/73)	84.68 (26/5/65)
45	Teas (10)	90.10	—0.2	21.37	8.80	5.85	5.50	90.28	90.28	90.28	89.97	106.98	90.28 (23/5)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	462.80	—0.4	48.92	18.31	2.36	2.36	464.66	467.74	461.49	458.93	394.47	467.74 (27/5)	374.36 (22/1)	667.78 (13/7/73)	94.08 (29/4/63)
47	Mining Finance (11)	139.18	+0.4	8.76	5.79	12.45	12.41	138.68	141.04	139.57	139.16	102.15	141.04 (27/5)	80.58 (22/1)	175.90 (22/4/68)	66.31 (30/9/74)
48	Tins (8)	111.97	+2.0	9.11	7.40	14.14	12.15	108.86	109.27	110.39	110.96	91.47	111.97 (29/5)	58.91 (8/1)	125.43 (12/1/73)	54.85 (27/6/71)
49	Overseas Traders (13)	244.07	—0.1	14.35	5.72	8.87	8.85	245.77	244.53	243.56	246.52	—	262.25 (20/5)	97.37 (6/1)	252.25 (20/5/70)	97.37 (6/1/75)

	FIXED INTEREST	Thurs. May 29 Index No.	Thurs. May 29 Yield %	Wed. May 28	Tues. May 27	Friday May 23	Thurs. May 22	Wed. May 21	Tuesday May 20	Monday May 19	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.92	14.92	15.14	15.11	15.10	15.10	15.09	15.20	14.02	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.28	‡13.70	47.60	46.95	46.89	46.91	47.03	47.05	47.07	51.18	53.09 (30/3)	38.27 (6/1)	115.42 (11/9/68)	38.27 (6/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.81	‡16.08	45.81	45.64	45.64	45.60	45.60	45.55	45.64	48.62	50.68 (21/3)	37.01 (6/1)	113.45 (23/10/68)	37.01 (6/1/75)
4	Investment Trusts Prefs. (15)	42.76	16.18	42.86	42.88	43.15	43.09	42.90	42.90	42.77	45.54	46.67 (25/3)	35.88 (6/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.20	15.30	59.35	59.35	59.55	59.07	58.45	58.05	57.88	59.68	66.96 (20/3)	48.88 (3/1)	114.85 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	186.75	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	152.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 15p. Commonwealth 18p. Foreign 22p.

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	12	Gardiner Bros.	11		Sheff. Refrshmt.	180	
Ash Spinning	37	Gardner L.	62	+1	Shiloh Spinn.	44	
Bertam	18	Graig Ship £1	46u		Sindall Wm.	45	
Brody 'A'	55	Hallam Sl. 10p	9		Vincent H.	85	
Br'wrklet. 50p	135	Higsons Brew.	87		IRISH		
Clover Croft	35	Holt Joseph 25p	180		Alliance Gas	56	
Craig & Rose £1	410	IOM Steam £1	110		Carroll (P.J.)	115	
Dundee Ice £1	295	Kleen-E-Ze	30		Clondalkin	68	
Dyson (R.A.)	55	+1	Lovell's Shp £1	150	Concrete Prods.	71	+1
Ellis & McHdy.	57	Nthn. Goldsmith	70		Heiton (Hldgs.)	48	
Evans Frkfld.	41	PMA	55		Irish Distillers	58	
Evered	12	Pearce C.H.	60		Irish Wire Bd.	71	
Fife Forge	48	Peel Mills	18		Jacob	40	
Finlay Pkg. 5p	16	Richards 10p	10		Sunbeam	55	
Pr'st & Reed 50p	90 —1	Robb Cal. 50p	52		Unidare	14	
		Sayers Con 18p	9			70	

ACTIVE STOCKS YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Coats Patons	25p	15	46½	— 6½	56	23½
ICI	£1	14	282	+ 8	286	113
Courtaulds	25p	12	140	+11	140	53
Boots	25p	11	255	— 3	278	91
BATS	25p	11	323	— 7	337	164
Barclays Bank	£1	10	292	— 3	300	112
BP	£1	10	458	—	490	190
Commercial Union	25p	10	172	— 8	184	72
EMI	50p	10	190	— 2	200	62
UDT	25p	10	18	— 5	35	11
Shell Transport	25p	9	322	— 2	341	118
Sun Alliance 'New'	Nil/pd.	9	106*	— 6	130*	104*
Assoc. Engineer'g	25p	8	60	+ 3	60	17½
Grd. Metropolitan	50p	8	61	—	69	19½
Amal. Inv. & Prop.	25p	7	44½	— 2	72½	28

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30

"Calls" were dealt in Amalgamated Investment Property warrants, De la Rue, British Land, Town and City, J. Mowlem, Fraser Ansbacher, English Property and Lubok Investments. No "puts" were reported, but "doubles" were arranged in Courtaulds, Bear Brand, Town and City and GRA Property Trust.

Industrials		Grand Met.	9	Slater Walker	13	Mines	
A. P. Cement	20	G.U.S. 'A'	30	Spillers	7	Anglo Amer.	50
Assoc. Leisure	5	Guardian	10	Tesco	6	Broken Hill Pty.	75
Barclays Bank	35	G.K.N.	18	Thorn 'A'	20	Cad	9
[illegible]	[illegible]	Hawker Sidd.	[illegible]	Tube Invest.	30	Charter Cons.	22
[illegible]							

FOOD PRICE MOVEMENTS

	May 29 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	820	820	800
British A.1 per ton†	815	815	795
Irish Special per ton†	815	815	795
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton‡	815	815	795
BUTTER (packet)			
NZ per 28 lbs†	—	0.87	—
English per cwt†	40.72-41.16	40.72-41.16	40.72-41.14
Danish salted per cwt†	42.10-42.50	42.10-42.50	41.72-42.50
CHEESE§			
English cheddar white rindless 40-lb per cwt	43.15	43.15	43.15
NZ per 30 kilos	15.61	15.61	15.61
EGGS*			
Home-prod. Standard	—	2.10- 2.30	3.20- 3.40
Large	—	2.70- 3.00	3.50- 3.60
	May 29 per pound	Week ago per pound	Month ago per pound
BEEF			
Scotch killed sides (ex KKCF)	35.0—37.5	34.0—37.0	33.0—36.0
Eire forequarters	24.0—25.0	24.0—25.0	25.0—26.0
Argentine chilled rumps	—	—	—
LAMB			
English	40.0—42.0	38.0—42.0	40.0—43.0
NZ 2s-Ds	30.0—31.0	29.5—30.0	29.0—30.0
PORK (all weights)	24.0—35.0	24.0—35.0	23.5—34.0
MUTTON			
English ewes	12.0—13.0	12.0—13.0	12.0—13.0
POULTRY			
Broiler chickens	25.0—26.0	23.0—26.0	23.0—26.0

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ‡ For delivery May 24-31. ** FMC price.

INSURANCE, PROPERTY, BONDS

				Yield %
Abbey Life Assurance Co. Ltd. 1-3, St. Paul's Churchyard, E.C.4. 248 9111				
Abbey Eq. May 27	28.7	30.5		—
do. Acc. Unit May 27	22.4	23.6		—
do. Pr. May 6	108.7	109.1		—
do. Acc. Unis May 6	97.8	103.2		—
[illegible]				
Cornhill Insurance Co. Ltd. 32, Cornhill, E.C.3. 01-626 5410				
Capital May 15	108.5			—
GS Special May 15	40.0			—
Mn. Gth. Bd. May 20	119.5	126.0		—
Crescent Life Ass. Co. Ltd. Braywick Hse, Mdnhd, Berks. Mdnhd 34855				
Urn. Pla. Unit Fd.	59.8	64.1		—
[illegible]				
Life Assur. Co. of Pennsylvania 39-42, New Bond St., W1Y 0RQ. 01-493 0395				
LACOP Units	778	817		—
Lloyd's Life Assurance Ltd. 12, Leadenhall St., EC3M 7LS. 01-623 6621				
Mlt. Gth. Fd. May 23	1.66409			—
Opt. 5 Eq. Fd. May 23	95.1	100.2		—
[illegible]				
Save & Prosper Group 4, Gt. St. Helen's, London, E.C.3. 588 1717				
[illegible]				

Down 2 despite favourable news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 29.

FURTHER SMALL LOSSES were recorded on Wall Street to-day, despite news which seemed to suggest the wrost of the economic recession may have passed.

The Dow Jones Industrial Average shed 2.04 to 815.00 but the NYSE All Common Index firmed one cent to $47.67, while losses led gains by 732-to-639. Trading volume decreased 3.28m. shares to 18.57m.

Some investors were encouraged by the Commerce Department report that its new index of Leading Economic Indicators rose a record 4.2 per cent. in April and was the second consecutive monthly advance. The report was considered strong evidence that the economic recession has bottomed out.

Oils continued to benefit from President Ford's Energy Conservation Programme, which included a plan to decontrol the price of "old oil" from established U.S. wells.

But selling was attributed in part to continuing concern about inflationary effects and a possible profit-squeeze on some companies following the imposition of higher oil import fees.

Some investors also appeared to withdraw to the sidelines to await further details of New York City's financial problems.

Among Oils **Occidental Petroleum**, the most active issue, gained $1½ to $18¾ and the Warrants rose $1¾ to $9¾—largely reflecting interest in the company's coal operations.

Exxon moved ahead $1¼ to $85¾, **Texaco** $¾ to $25¾ and **Atlantic Richfield** $3¼ to $93¼.

Standard Oil Ohio advanced $2¾ to $70¼. **Phillips Petroleum** rose $1¼ to $54¾ on an oil find in the British sector of the North Sea.

Chemicals again attracted considerable selling pressure. **Du Pont** lost $1¾ to $1[illegible], **Union Carbide** $1¼ to $58¾ and **Monsanto** $2¾ to $61.

Motors were mixed.

Leaseway Transportation fell $1¼ to $23¾, despite a higher earnings projection for the year.

Reading and Bates Offshore Drilling lost $1¼ to $22¾ on the plans for the sale of up to 1.1m. shares.

Iowa Beef Processors gained $1 to $24¾ on higher 28-week net earnings.

The American S.E. Market Value Index moved up 0.04 to 87.53, although declines outnumbered advances by 305 to 273.

Oils 2.78 to 177.13, Utilities 0.42 to 121.29, Banks 2.77 to 260.70 and Papers 0.04 to 111.59.

Falconbridge Nickel gave way $1½ to $35¼ pending the release of first-quarter results. **Moore** lost $1¼ to $47¼.

PARIS—Market again declined across the board on Wall Street's further fall overnight, and also lower domestic car sales.

Locafrance in Banks, and **DBA** in Electricals were about the only exceptions.

In Foreign stocks, Canadian and U.S. shares edged lower, while German and Dutch issues were mixed. Belgians were little changed.

AMSTERDAM — Prices fell sharply over a broad front, attributed to a steady flow of unfavourable business news coupled with generally poor economic forecasts.

Akzo lost Fls.0.50 to 30.5, **Philips** Fls.0.10 to 24.9, **Royal Dutch** Fls.0.30 to 82.3 and **Unilever** Fls.0.5 to 103.5.

Banks continued their recent sharp decline. **Algemene Bank Nederland** were down Fls.7 to 308 and **Amsterdam-Rotterdam Bank** Fls.1.50 to 73.4.

Local Industrials fell sharply.

Bonds dipped an average Fls.0.10 to Fls0.20.

BRUSSELS—Shares fell fairly sharply following Wall Street's further overnight decline. Dealers regarded Wednesday's Belgian Bank Rate cut as a move to correlate with International rates rather than a local stimulant.

FN, however, firmed on anticipation Belgium will join three other NATO countries in opting for the U.S. F-16 fighter, for which it would make the engines. **Electrobel** also rose Frs.100 to 6,140.

Steels declined. **Arbed** were off Frs.130 to 4,150. In reduced Utilities, **Intercom** shed Frs.25 to 1,710.

Dutch shares declined. **Hoogovens** dropped Frs.14 to 840. In lower French issues, **Peugeot** fell Frs.65 to 2,145. **President Brand** were down Frs.40 to 1,200 in lower South African Gold Mines.

SWITZERLAND — Swiss issues closed lower for the third consecutive session in fairly active trading. A banker cited indications that the present world recession will be more important than had originally been expected.

In the Foreign sector, Dollar stocks generally eased, Dutch Internationals were very steady apart from easier **Rolineo** and **Robeco**.

Germans drifted lower.

COPENHAGEN — Generally higher in moderate trading.

OSLO—Banks, Industrials and shippings eased, while insurances were little changed.

HONG KONG—Higher in decreased trading.

Hong Kong Bank were up 10 cents to $HK15.10, **Hong Kong Land** 5 cents to 6.85, **Hutchison**, 5 cents to 2.25, **Jardine**, 20 cents to 24.80, and **Hong Kong and Kowloon Wharf**, 20 cents to 21.00.

TOKYO—Market eased in sympathy with the overnight downward trend on Wall Street. Volume 130m. (same) shares.

Blue Chips led the decline under pressure of liquidation.

Constructions, Housings, Dredgings, Machineries and Motors all moved lower. However, Electric Utilities gained ground led by **Kansai Electric** which added Y28 at 752.

JOHANNESBURG Gold shares closed at, or near, the day's lowest levels in quiet trading, generally on local account. The easier trend was attributed to little changed bullion advices.

Financial Minings were quiet.

Platinums were steady to a shade lower, while Coppers were mixed. Other Metals and Minerals were generally dull.

Industrials continued steady.

AUSTRALIA—Markets declined over a broad front in quiet trading, although some isolated firm spots developed.

Coals attracted particular pressure on reports that the Government would impose on Excise Levy on exports. **Utah** gave way 30 cents to $A6.90, **Theiss** were down 15 cents to $A2.20, **Oakbridge** 6 cents to 68 cents, **Coal and Allied** 3 cents to $A2.27 and **AA Resources** 7 cents to $A1.55.

Breweries were steady, Properties quietly firm.

Markets were closed in the following countries yesterday, due to Corpus Christi: Austria, Argentina, Brazil, Italy, Portugal, Spain and West Germany (Dusseldorf, Frankfurt, Munich and Stuttgart).

OTHER MARKETS

Canada lower

All sectors gave ground in moderate trading on Canadian Stock Markets yesterday.

The Industrial Share Index lost 1.40 to 185.26, Golds 8.09 to 414.33, Base Metals 0.39 to 73.91, Western

Indices

NEW YORK

DOW JONES AVERAGES

May	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
29	67.81	165.72	815.00	78.64	18,570
28	67.85	165.64	817.04	77.46	21,850
27	67.75	166.99	828.11	77.46	17,060
23	67.79	167.98	831.90	77.17	17,870
22	67.90	166.37	818.91	77.23	17,610
21	67.94	166.42	818.68	77.17	18,640
20	67.65	165.22	830.49	78.03	18,310
19	67.96	169.69	837.69	77.16	17,870
16	67.96	168.60	837.61	78.16	18,630
15	67.64	170.39	848.80	78.88	27,690
14	67.61	175.47	858.73	78.70	29,050
13	67.65	172.64	850.13	78.64	24,450
12	67.81	171.36	847.47	78.48	22,410
9	67.64	171.91	850.13	77.90	22,440
8	67.69	170.72	840.50	76.47	22,920
7	67.58	170.05	836.44	75.47	20,200
1975 High	88.82	174.12	858.73	81.06	—
	(4/4)	(5/5)	(14/5)	(21/1)	
Low	66.16	146.47	632.04	72.02	—
	(6/1)	(2/1)	(2/1)	(2/1)	
All-time High	—	279.88	1051.70	163.32	—
		(7/2/69)	(11/1/73)	(20/4/69)	
Low	—	13.23	41.22	10.58	—
		(8/7/32)	(2/7/32)	(8/4/32)	

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 27	May 20	May 24, 1974
4.66	4.61	4.49

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	M'y 29	M'y 28	M'y 27	M'y 23	M'y 22
48.83 (14/5)	37.06 (2/1)	47.67	47.66	47.87	48.05	47.48

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,805	639	732	434

	M'y 29	M'y 28	M'y 27	M'y 23	M'y 22
New Highs	78	124	126	84	61
.. Lows	6	8	8	8	[illegible]

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	M'y 29	M'y 28	M'y 27	M'y 23	M'y 22
88.16 (27/5)	62.20 (2/1)	87.53	87.49	88.16	87.75	86.85
Volume 000's		2,500	2,710	2,060	2,900	2,000

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 29	100.96	89.68
.. 28	101.06	89.71
.. 27	101.82	90.34
.. 23	102.12	90.58
.. 22	100.72	89.39
.. 21	100.36	88.96
.. 20	101.51	90.07
1975 High	104.41 (14/5)	92.27 (14/5)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 500 Industrials 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	May 29 1975	May 22 1975	May 29 1974
Ind. Ord. yield pc	3.75	3.76	4.25
Ind. Ord. p/e ratio	10.43	10.50	11.07
Long-term Govt. Bds. per cent.	3.88	3.89	8.62

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Occidental Petrlm.	340,300	18¾	+1½
Teleprompter	260,300	7¾	−⅛
Occidental Pet Wts.	225,700	9¾	+1¾
Texaco	167,600	25¾	+¾
Monsanto	158,200	61	−2¾
Howard Johnson	142,900	12¼	−¼
Magic Chef	139,500	4¾	−¼
Atlas Corpn.	136,300	3¼	+¼
El Paso Gas	134,500	11¾	−¼
Atlantic Richfield	127,400	93¼	+3¼

TORONTO

INDUSTRIAL INDEX

May 29	May 28	1975 High	1975 Low
185.26	186.72	189.66 (14/5)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 29	May 28	1975 High	1975 Low
193.23	195.39	197.95 (14/5)	159.95 (2/1)

COMBINED INDEX

May 29	May 28	1975 High	1975 Low
187.90	189.90	191.02 (14/5)	156.02 (2/1)

JOHANNESBURG

	May 29	May 28	1974-75 High	1974-75 Low
Industrials	206.6	206.4	210.3 (17/2)	183.0 (23/1)
Golds	316.1	319.6	359.1 (2/1)	285.2 (15/4)

1958=100. Source: Rand Daily Mail. 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 29	May 23	May 16
On Dividends	7.13	7.56	7.65
On Earnings	13.67	14.44	14.50

SYDNEY ALL ORD. INDEX

May 29	May 28	High 1975	Low 1975
371.92	375.65	375.96	288.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 29	May 28	High 1975	Low 1975
325.68	327.64	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX ●

May 29	May 28	High 1975	Low 1975
324.62	322.58	336.35 (21/5)	160.42 (4/1)

SINGAPORE INDEX §

May 29	May 28	High 1975	Low 1975
241.70	240.61	268.69 (11/3)	153.26 (8/1)

EUROPE

	May 29	Previous	1975 High	1975 Low
Belg'm (a)	108.90	110.01	111.51 (16/5)	89.01 (2/1)
Denm'k (b)	89.25	88.81	90.26 (22/5)	76.06 (15/1)
France (c)	[illegible]	66.5	72.6 (26/4)	51.70 (2/1)
Germ'y (d)	(e)	647.1	756.1 (5/4)	576.5 (2/1)
Holland (f)	96.3	97.7	107.6 (6/5)	85.0 (2/1)
Italy (g)	(e)	83.20	102.29 (21/3)	73.8 (2/1)
Spain (h)	(e)	103.82	110.66 (22/4)	96.32 (10/1)
Sweden (k)	364.65	365.22	368.86 (16/5)	310.5 (2/1)
Switz'rl'd (l)	286.2	287.5	290.1 (6/5)	[illegible]

Indices and base dates (all base values 100—(a) Belgian S.E. 31/12/61 (b) Copenhagen S.E. 1/1/73 (c) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970 (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58 (l) Swiss Bank Corp. 31/12/58 (n) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (e) Closed. † Adjusted.

Slight £ fall

Sterling fell slightly against major currencies in general, in the foreign exchange market yesterday, with its trade-weighted average depreciation widening on balance to 24.8 per cent., from the previous 24.7 per cent., although holding the 24.7 per cent. level in early dealings and at noon. In terms of the U.S. dollar, the pound fell 35 points on balance to $2.3165-2.3175—opening at $2.3225-2.3235, and rising in the morning to $2.3230-2.3240, but touching $2.3160-2.3165 in the afternoon. Conditions generally were quiet, with some centres on holiday. The latest U.S. economic indicator news worked in the dollar's favour. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement (as measured on noon rates in New York by Morgan Guaranty) narrowed a shade to 7.08 per cent. from 7.09 per cent., while sterling's depreciation on a similar basis widened to 30.14 per cent. from 29.95 per cent. The French franc remained unsettled by the suggestion that the French authorities might move to restrict the franc's recent gain (although the idea of a quick move on these lines was dismissed on Wednesday by the French Finance Minister). The franc lost 25 points on balance against the dollar, at Frs.4.0075, after touching Frs.3.9850 early on.

Gold fell $2¾ an ounce on balance in London to $167¾-168¾ in moderate business. The metal opened at $169¾-170¾, and touched $170-171 in early dealings, but trended down, to reach $167¾-168¾ in the afternoon.

The Krugerrand ended in places at a premium of about 19⅛ per cent. over its gold content in domestic business, against the previous 19⅝ per cent., and at 3⅛ in international, against 2⅞ per cent.

Imports of standard gold bars into the U.K. in April amounted to kg.37,287, valued at £43.8m., bringing the total for the first four months of the year to kg.146,380 (£181.1m.). Exports of standard bars came to kg.56,735 (£131.9m.) in April, bringing the four-month total to kg.161,106 (£385.4m.). Exports of non-standard bars in April were kg.3,406 (£7.9m.), making a four-month total of kg.18,332 (£45.2m.). Imports of gold coins of legal tender (in the U.K. and elsewhere) amounted in April to kg.8,758 (£20.7m.), with some three-quarters coming from South Africa, bringing the four-month figure to kg.40,530 (£95.3m.). Exports of legal tender gold coin came to kg.2,716 (£7.2m.) in April, and to kg.14,052 (£39.8m.) over the four months.

EXCHANGE CROSS-RATES

May 29	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankf't	—	2.3385-3405	58.33-35	6.683-705	5.416-426	97.26-28	93.94-96
N. York	42.75-76	—	24.91-96	2.853-863	2.316-316	41.62-65	40.10-13
Paris	171.10-50	3.992-4.002	—	11.445-475	9.2715-295	166.425-6¼	160.825-225
Brussels	14.95-15.0	34.91-96	8.71-76	—	81.0-20	14.54-60	14.12-10
London	5.41¼-42¼	2.3165-75	4.27-28¾	20.25-21.05	—	5.652-56¾	5.76¼-77¼
Am'erdam	102.705-.755	2.3972-97	59.275-925	6.8745-95	5.5695-5645	—	96.616-666
Zurich	106.36-80	2.4885-4905	62.10-20	7.1225-1300	5.765-775	103.50-77	—

U.S.$ in Montreal. U.S.$1=102.42-49 Canadian cents. Canadian $ in New York. $C1=97.66-68 U.S. cents. U.S. $ in Milan 622.55. Sterling in Milan 1442.40.

EURO-CURRENCY INTEREST RATES*

May 29 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rates: two days' notice [illegible]; seven days' notice [illegible]; one month [illegible]; three months [illegible]; six months [illegible]; one year [illegible].

Long-term Eurodollar deposits: two years [illegible]; three years [illegible]; four years [illegible]; five years [illegible] per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month [illegible]; three months [illegible]; six months [illegible]; one year [illegible].

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 29	May 28
Gold bullion (a fine ounce)		
Close	$167¾-168¾	$170¾-171¾
Opening	$169¾-170¾	$171-172
Morning fixing	$170.00	$171.75
Afternoon fixing	$168.25	$171.00
Gold coins, domestically		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold coins, internationally		
Krugerrand	$173-175	$175½-177½
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

FOREIGN EXCHANGES

[illegible]

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—109% (108½%).

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

May 29	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	77.2	+0.1	—	—
Allianz Versich.	460	−5	17	1.8
B.M.W.	205	−5	14	3.4
BASF	152.5	+0.5	17	5.4
Bayer	114.2	+0.1	17	6.8
Bayer Hypo	309	−1	16	2.6
Bayer Vereinsbk.	309xd	−4	18	2.7
Commerzbank	192.5	−4.2	17	4.6
Conti. Gummi	67.5	−2.5	—	—
Daimler	289	−6	15	2.6
Degussa	222xd	...	18	4.4
Demag	176	−5	16	4.4
Deutsche Bank	306xd	−10	20	3.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

[illegible]

TOKYO ¶

[illegible]

PARIS

[illegible]

MILAN

[illegible]

STOCKHOLM

[illegible]

SWITZERLAND ◆

[illegible]

AUSTRALIA

[illegible]

BRUSSELS

[illegible]

OSLO ◆

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN ▼

[illegible]

NOTES: [illegible]

مكتبة الأصل

STOCK EXCHANGE REPORT

Another quiet day featured by trading statements

Index up 1.9 at 348.5. after 344.7—Courtaulds good

Account Dealing Dates

*First Declara-Dealings	tions	Last Dealings	Account Day
May 5	May 15	May 16	May 28
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Although business in equity markets was again restricted by continuing uncertainties about the outcome of next week's EEC referendum, the day's proceedings were enlivened by the occasional feature in response to trading statements. Among the more well known companies, Courtaulds advanced 11 to 140p in response to the results, which were well above market expectations, but Coats Patons contrasted with a fall of 6½ to 48½p, after 46½p, on the absence of a final dividend payment. The passing of the Preference dividend by UDT, 5 down at 18p, after 16p, adversely affected other hire purchase shares. This was reflected in a fall of 19.3 per cent. to 84.21 in the FT-Actuaries index for the section.

Leading industrials drifted down further on fresh scattered selling before bear closing prompted a small improvement and left prices a little higher on balance at the close. Movements throughout the day were within fairly narrow limits and the FT 30-share index which was 1.9 down at 2 p.m. ended a net 1.9 higher on balance at 348.5.

Official markings fell away further to 6,090 to reflect a further decline in activity and the overall trend was again downwards. This was shown in a 2—1 majority of falls over rises in FT-quoted Industrials and a further reaction of 1.2 per cent. to 146.46 in the FT-Actuaries All-share index.

The absence of any follow-through to Wednesday's demand for long-dated British Funds signalled a small reaction, a tendency hastened by modest switching into the long "tap," Treasury 12¾ per cent., 1993. Losses extended to ¾ at this end with slightly heavier falls appearing occasionally among the shorts; the latter were unsettled by the trend in sterling and, later, the inflationary implications of the recommended wage rise for railwaymen.

Isolated institutional demand coupled with business released by overseas activity in South African Gold shares produced a progressive upward movement in the investment currency premium which closed 2¾ points higher at 100 per cent. Yesterday's SE conversion factor was 0.5372 (0.5433).

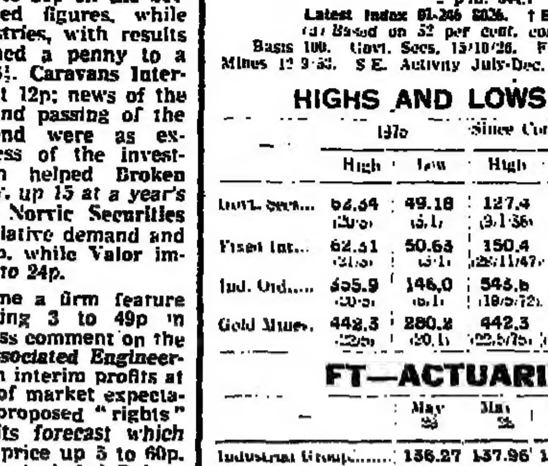
UDT shock

The feature of a quiet Banking sector was the shock news from UDT that it was passing its Preference dividend until the end-June results could be determined; this sharply unsettled sentiment in UDT issues and in other Hire Purchase shares. UDT ended 5 down at 18p, after 16p, while the 4½ per cent. Preference closed 1½ off at 18½p, after 14p. Mercantile Credit shed 2 to 21p, while losses of 3 were sustained by Lloyds and Scottish, 84p, and Provident Financial, 69p. Elsewhere, the big four Banks continued to drift gently lower in the absence of buyers. Midland lost 5 at 260p. Foreign issues were helped by the investment dollar premium; Bank of New South Wales gained 15 to 685p, while Hong Kong and Shanghai recovered 4 to 240p. Among Merchant Banks, Hambros made a modest recovery of 3 to 153p pending further news about the Reksten shipping situation.

Insurances continued to lose ground in the absence of buyers. Sun Alliance new nil-paid shares fell 6 to 106p premium, while the old gave up 5 more to 410p. Guardian Royal Exchange declined 7 to 206p and Legal and General 5 to 133p.

Breweries held quietly steady after the previous day's setback which followed disappointing interim results from Bass.

International Paint were a good late feature in Buildings, rising 22 to 165p in a thin market on the sharply higher earnings. J. Smart hardened a penny to 44p on the profits and dividend forecast which accompanied the interim report. William Mallinson firmed 2½ to 218p, but Geo. Wimpey, 128p, and Taylor Woodrow, 304p, lost 4 apiece. Marley eased 3 further to 77p following Press comment on the interim report. Tarmac were also easier, the Ordinary closing 4 easier at 138p and the new nil-paid 3 cheaper at 14p premium. Beaver Group, at 46p, gave up 3 of the previous day's rise of 4 which followed the results, while similar declines were recorded by Redland, 84p, and Gough Cooper, 78p.



ICI rallied to close 3 better on the day at 282p. Revertex, still reflecting the chairman's remarks at the annual meeting, eased 3 more to 66p, while Alida Packaging, ahead of next Thursday's results, receded 4 to 77p.

Stores neglected

Stores rallied from initial dullness to close little changed on the day. Marks and Spencer ended 2 up at 232p, after 229p, while similar rises were recorded by House of Fraser, 89p, and UDS, 107p. British Home Stores remained a sensitive market, falling afresh to 350p before closing 3 easier on the day at 354p. Debenhams shed 2 to 77p as did "Gussies" "A," to 191p, after 189p. Geo. Doland contrasted with a penny gain to 16p on the increased earnings. Mail Orders attracted a selective interest but closed with little alteration. K Shoes moved up 4 to 51p in Shoes in response to the interim report, while other firm spots included Strong and Fisher, 2 harder at 40p, and Church, 6 higher at 121p.

The Electrical Leaders closed little changed following a light trade. After easing afresh to 186p, EMI were finally only 2 cheaper on balance at 190p. Plessey were also 2 easier at 74p, after 73p. On a more cheerful note, Philips Lamp, at 825p, recouped 5 of the previous day's fall of 30. United Scientific, ahead of next Tuesday's interim statement, moved up 3 to 47p.

A possible Thorn Industries counter-bid for Sheffield Twist if the SKF offer is allowed to proceed became a late talking point in the Engineering sector; Sheffield Twist rose 6 to 76p, after 77p, but Thorn issues fell 8 to the common level of 142p. Otherwise, GKN recovered an earlier loss of 4 to close fractionally better at 249p, while Tube Investments were unaltered at 286p, after 282p. Impressive first-half results put Ley's Foundries up 2½ to 37p, while yield considerations drew attention to Ayrshire Metal, another penny harder at 19p, and Capper-Neill were finally the same amount dearer at 49p, after 46½p, following the good results. Of the day's casualties, Turriff, 73p, and Acrow "A," 57p, both fell 3. In Shipbuildings, Robb-Caledon gave up 4 at 48p.

After reacting further to 250p, Tate and Lyle rallied to close a penny better on balance at 255p. A fair two-way business developed in Brooke Bond which closed unchanged at the overnight level of 41½p following recent weakness. Freshbake Foods closed a penny firmer at 15p on the interim figures and Robertson Foods held at 83p after news of the increased earnings. Supermarkets had an easier tendency with Tesco easing 1½ to 47½p and Wheatsheaf Distribution dipping to 144p in initial response to the results before closing a penny better on the day at 147p.

J. Lyons "A" reacted 9 to 150p, while falls of 3 and 6 respectively occurred in Trust Houses Forte, 109p, and Ladbroke, 167p. Hanover Grand eased 2 to 6p on the dividend omission and profits setback, but Reo Stakis, still on the interim report, hardened a penny more to 16½p.

Euro. Ferries lower

Miscellaneous industrial leaders made a modest rally towards the close after another quiet trade. Beecham, for example, ended 5 up at 303p, after 297p, while Glaxo closed 2 better at 410p, after 404p. Small losses, however, were sustained at the close by Boots, 255p, after 250p, and Bowater, 164p. Elsewhere, European Ferries came on offer and lost 3 to 63p on the strike which has halted most cross-Channel ferries; Extel declined 6 to 78p on the halved profits, while further consideration of the first-half loss left United Industrial ½ down at a year's "low" of 6½p. Lesney Products eased a penny to 19p on the chairman's cautious view for the current year. Wm. Press, however, gained 2 to 30p on the better-than-expected figures, while Pentland Industries, with results due soon, gained a penny to a 1975 peak of 6½. Caravans International held at 12p; news of the first-half loss and passing of the interim dividend were as expected. Firmness of the investment premium helped Broken Hill Proprietary, up 15 at a year's peak of 740p. Norvic Securities attracted speculative demand and rose 2½ to 28½p, while Valor improved 2 more to 24p.

Dunlop became a firm feature in Motors, rising 3 to 49p in response to Press comment on the full report. Associated Engineering pleased with interim profits at the upper end of market expectations and the proposed "rights" offer and profits forecast which took the share price up 5 to 60p. Other firm spots included Robert Stockfis, 5 higher at 100p in a thin market, and Caffyns, 4 better at 57p. Lucas Industries continued to reflect the troubled state of the industry and lost 5 to 117p.

Thomson reacted on stale bull liquidation to close 5 down at 192p, after 191p. In Newspapers where lower profits brought losses of 2½ and 1 respectively in Portsmouth and Sunderland, 21½p, and East Midland Allied Press "A," 36p. The chairman's view of prospects failed to support Bunzl Pulp, down 3 at 92p, while similar falls were sustained by Lowe and Brydone, 43p, and J. Waddington "B," 90p.

Properties easier

The blame for a further erosion in Property values was attributed to a continuation of the nervousness engendered recently by talk of pending poor interim results from MEPC next Wednesday. MEPC gave up 3 more at 153p. Land Securities lost 4 further to 194p and Stock Conversion 6 to 160p. English closed above the lowest at 84½p, down 2, and Churchbury Estates were similarly cheaper at 96p after reduced profits. Other falls took in Hammerson "A," 20 lower at 405p, and Bernard Sunley, which fell 7 to 153p.

The first-quarter results of British Petroleum matched best expectations and the price regained in brisk two-way trading an early loss of 5 to close unchanged on the day at 485p. Shell were also helped, finally settling only 2 off at 322p, after 319p, with Royal Dutch marginally better at £27¾ on investment premium influences. Oil Exploration were unaffected, at 78p, by confirmation of Phillips' North Sea oil discovery. Despite increased profits, Premier Consolidated lost 1 to 18½p.

After recent strength, Capital shares ran into light profit-taking and closed widely lower.

Textiles were featured by contrasting movements in response to trading statements. Results above expectations left Courtaulds up 11 at the day's best of 140p. Coats Patons, on the other hand, became a depressed market and fell 6½p to 48½p, after 46½p, in the absence of a final dividend payment even this was tempered to an extent by the proposed 1-for-25 scrip issue.

Tobaccos passed another uninteresting session. Among the leaders Bats ended above the worst with a fall of 7 at 323p, after 320p.

Anglo American Industrial featured South Africans, rising 40 to a 1975 peak of 800p.

Although business remained quiet in Rubbers, Wednesday's good results from Highlands and Lowlands imparted firmness to share prices. H. and L. gained 2½ to 47½p, while Chersonese improved 2 to 30½p. Teas were little altered.

Golds decline

Gold shares were pulled down by the bullion price which dropped below the $170 per ounce level again to close $2.75 lower at $168.25. But the strength of the investment dollar premium cushioned the fall in London share prices with the result that the Gold Mines index lost only a relatively modest 3.5 at 425.2.

Selling was described as light. Of the falls, "Sallies" (680p) and Harmony (910p) each lost 20p. Deelkraal were quoted in fully paid form at 335p.

Financials were often firmer, notably Anglo American which moved up 17 to a new high for the year of 510p on suspected U.S. buying. Another feature was Minorco which continued to advance, rising to a 1975 high of 300p before closing a net 12 up at 293p to make a three-day gain of 40. Silvermines regained 6 to 70p following news of Ireland's offshore oil exploration licence awards.

Following news of the deal whereby Singapore's Haw Par will increase its holding in London Tin to some 50 per cent. shares of the latter rose 3 to 185p. Interest was stimulated in other Tin shares, notably Gopeng (280p) and Southern Malayan (160p), each of which rose 12, and Malayan (180p), which put on 11 to 203p; all three prices were new highs for the year.

The strength of the investment premium offset the effects on Australians of the dullness in markets Down-Under. Peko-Wallsend (330p) and Poseidon (495p) were both 15 to the good. Great Boulder gained 7 to 85p on further consideration of the Western Mining bid approach, while Metals Exploration recovered 6 to 46p.

Reports that Australia intends to put an excise levy on coal exports lowered Utah Mining 25 to 725p. Elsewhere, Sabina came back 10 to 115p.

FINANCIAL TIMES STOCK INDICES

—	May 29	May 28	May 27	May 23	May 22	May 21	A year ago
Government Secs.	57.90	58.14	57.66	57.58	57.60	57.62	58.24
Fixed Interest	57.95	57.88	57.72	57.67	57.62	57.41	57.85
Industrial Ordinary	348.5	346.6	353.3	355.0	349.7	351.5	282.0
Gold Mines	425.2	430.7	435.7	433.2	442.3	425.6	315.5
Ord. Div. Yield	5.94	5.97	5.87	5.85	5.96	5.93	7.03
Earnings Yld. % (full)	18.02	18.10	17.79	17.71	17.96	17.86	18.11
P/E Ratio (net) (*)	7.85	7.81	7.92	7.96	7.84	7.88	7.82
Dealings marked	6,090	6,294	6,750	6,849	7,561	9,034	†5,142
Equity turnover £m.	—	57.89	59.45	77.75	69.98	98.80	38.74
Equity bargains total	—	16,152	17,051	19,632	18,559	23,436	10,482

10 a.m. 346.1 11 a.m. 346.0. Noon 345.2. 1 p.m. 345.1. 2 p.m. 344.7 3 p.m. 345.5.

Latest Index 01-246 8026. † Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil= 7.50.

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	62.51 (21/5)	50.63 (6/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	365.9 (20/5)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 29	May 28
Daily		
Gilt-Edged	154.6	114.1
Industrials	208.9	219.7
Speculative	74.2	94.5
Totals	138.6	143.3
5-day Average		
Gilt-Edged	130.9	119.4
Industrials	236.1	263.0
Speculative	90.7	92.4
Totals	162.7	166.1

FT—ACTUARIES INDICES

—	May 29	May 28	May 27	May 23	May 22	May 21	A year ago
Industrial Group	136.27	137.96	140.12	139.76	138.79	139.35	113.91
500 Shares	148.28	149.91	152.11	151.59	150.27	150.85	122.96
Div. Yield p.c.	5.93	5.86	5.78	5.80	5.85	5.83	6.62
P/E Ratio (net)	7.19	7.26	7.38	7.36	7.29	7.31	7.41
All Share	146.46	148.27	150.30	149.95	148.87	149.91	120.12
Consols yield p.c.	14.92	14.92	15.14	15.11	15.10	15.53	14.09

AUTHORISED UNIT TRUSTS

[illegible]

[INSURANCE, PROPERTY, BONDS PRICES PAGE 33]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or -	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98¾	90¼	Savings 3pc 65-75‡‡	98¾	+⅛	3.04	9.40
99⅛	94¾	Exch 6½pc 1976‡‡	97¾	+⅛	6.65	9.65
97¼	92¼	Treasury 6½pc 1976‡‡	96⅞	.....	6.71	9.27
99	97	Victory 4pc 1976‡‡	99	.....	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	101¼xd	-⅛	10.37	9.61
95	88⅞	Treasury 6¼pc 1977‡‡	94½	-⅛	6.61	9.73
91¼	86¼	Electric 3pc '74-77	90¾	-⅛	3.31	8.65
103¼	96⅞	Treasury 11½pc '77‡‡	102⅛	-¼	11.26	10.39
88	84	Treasury 3pc '77‡‡	86⅝xd	-⅛	3.46	9.18
88⅝	84½	Transport 4pc '72-77	87¼xd	-⅛	4.56	9.51
96¾	90½	Treasury 9pc 1978‡‡	95¼	-⅛	9.47	11.07
96¾	93¾	Treasury 9pc '78 'A'‡‡	95¼	-⅛	9.47	11.08
100¼	96⅝	Treasury 10½pc '78‡‡	98¼	-⅛	10.71	11.23
87⅞	79	Exchequer 5pc '76-78‡‡	85⅛	-¼	5.86	10.28
103	94¾	Treasury 11½pc '79‡‡	100¾	-⅛	11.43	11.19
79⅛	71⅞	Treasury 3pc '79‡‡	76¾	-⅛	3.90	9.67
81	73⅞	Electric 4¼pc '74-79	79⅛	-¼	5.37	10.34
100¼	96	Treasury 10½pc '79‡‡	97¾	-⅛	10.73	11.11
79½	71	Electric 3½pc '76-79	77¼xd	-⅛	4.53	9.92
95	84	Treasury 9pc 1980‡‡	92½	-⅛	9.73	11.04
		Five to Fifteen Years				
79	68¼	Treasury 3½pc '77-80	74⅞xd	-⅛	4.66	9.91
84½	71	Funding 5¼pc '78-80‡‡	79¼xd	-⅛	6.60	10.61
75½	66⅛	Treasury 3½pc '79-81	73	-⅛	4.86	10.03
91½	72⅝	Do 8½pc '80-82‡‡	89	-⅛	9.90	11.60
104⅛	86⅝	Treasury 12pc 1983‡‡	101⅛	-⅛	12.16	12.24
78	58	Funding 5½pc '82-84‡‡	73		7.75	10.74
85¼	61⅛	Treasury 8½pc '84-86‡‡	82	-¼	10.79	12.01
73¼	51⅞	Funding 6½pc '85-87‡‡	67⅛	-¼	9.76	11.78
76¼	53	Treasury 7¾pc '85-88‡‡	71¾	-¼	11.21	12.71
46⅛	32⅞	Transport 3pc '78-88	40⅝xd	-⅛	7.34	12.12
55¼	39¼	Treasury 5pc '86-89	50¼	-⅛	10.07	12.71
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	66¼xd	-⅛	12.29	13.88
55½	41⅛	Funding 5¾pc '87-91‡‡	51⅛	-⅛	11.44	13.38
97½	89½	Treasury 12¾pc '92‡‡	90½	-⅛	14.20	14.47
54½	40½	Funding 6pc 1993‡‡	49	-⅛	12.56	13.96
75¼	54⅛	Treasury 9pc '94‡‡	65⅛	-⅛	13.73	14.49
34⅞	24¾	Gas 3pc '90-95	30⅝xd	-¼	9.87	12.62
102	75	Treasury 12¾pc '95‡‡	88¼	-¼	14.45	14.55
71⅛	54¾	Treasury 9pc '92-96‡‡	65⅝	-¼	14.12	14.56
32¾	26½	Redp 3pc '86-96	30⅛	-¼	10.12	12.51
69⅛	53¼	Treasury 8¾pc 1997‡‡	63¼	-¼	14.21	14.59
59⅞	40¼	Treasury 6¾pc '95-98‡‡	49½	-⅛	13.82	14.45
75⅛	54¼	Treasury 9½pc 1999‡‡	69¾	-¼	14.34	14.61
31⅛	22	Funding 3½pc '99-04	28⅞	-¼	12.93	13.71
61⅛	47	Treasury 8pc '02-06‡‡	56½	-⅛	14.47	14.59
42⅞	33	Treasury 5½pc '08-12‡‡	39½	-⅛	14.37	14.47
59⅞	43⅛	Treasury 7¾pc '12-15‡‡	55⅝	-⅛	14.62	14.66
		Undated				
29¼	22⅛	Consols 4pc	27¼	.....	15.12	—
27¼	20⅛	War Loan 3½pc‡‡	23⅞xd	.....	14.64	—
27½	22⅞	Conv. 3½pc '61 Aft.	25⅛	.....	14.25	—
22	17½	Treasury 3pc '66 Aft.	20⅞	.....	15.05	—
18¼	14¼	Consols 2½pc	17¼	.....	14.92	—
18⅛	14½	Treasury 2½pc	17	.....	15.06	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or -	Yield Int.	Red.
66¼	58	5pc Stock '77-82	65½	.....	7.80	12.75
96¼	91½	8pc Stock 1976	96	.....	8.33	11.71

**CORPORATION LOANS

1975 High	Low	Stock	£	+ or -	Yield Int.	Red.
86¼	80¼	Birm'ham 9¾pc '79-81	85	.....	11.27	13.63
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (MISCEL.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 85⅞% (based on $2.2210 per £)

CANADIANS

[illegible]

S.E. List Premium 85⅞% (based on $2.2345 per £)
Conversion factor 0.5373 (0.5433)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
£14¾	780	Durban Deep R1	£13¼	......	Q110c	φ	5.4
£14	660	E. Rand Prp. R1	£12¾	......	Q115c	φ	5.8
105	55	Rand Leases 25c	83	......	—	—	—
£34½	£22	Randf'tn Est. R2	£23¾	......	—	—	—
500	260	West Rand R1	455	......	Q40c	1.3	6.0

EASTERN RAND

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	334	–12	†Q51c	1.1	9.8
23	13	Daggafontein 50c	19	......	—	—	—
105	68	East Dag R1	93	......	Q25c	φ	16.4
140	140	Grnl. Areas 5c	143¢	......	—	—	—
380	210	Grootvlei 30c	350	–10	Q32c	1.1	5.9
820	410	Kinross R1	795	–15	†Q50c	1.5	4.1
198	107	Leslie 50c	170	–5	†Q22c	1.6	8.3
550	325	Marievale 70c	505	–5	Q84c	1.1	10.7
725	380	S. African Ld. 35c	680	–20	Q35c	1.2	8.1
265	175	Vlakfontein R1	260	......	Q35c	1.3	8.7
£13¼	940	Winkelhaak R1	£13¼	–¼	†Q54c	1.2	2.6
120	65	Wit. Nigel 25c	105	–5	Q1c	12.9	0.6

FAR WEST RAND

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25c	£10½	......	Q90c	1.3	2.8
£21½	£17	Buffels R1	£20½	–½	†Q160c	1.4	5.1
£14¼	920	Doornfontein R1	£13¼	......	†Q100c	1.4	4.7
£12¾	725	East Drie R1	£11¼	–¼	Q55c	1.8	3.0
£12½	725	Do Comb Units	£11½	–¼	—	—	—
450	295	Elsburg R1	440	–5	Q45½c	1.2	6.7
£31	£16	Hartebeest R1	£29	–½	†Q160c	1.7	3.6
£13¾	815	Kloof Gold R1	£12½	+⅛	‡Q79c	2.2	‡
£17¼	875	Libanon R1	£15¾	–¼	†Q100c	2.0	4.1
£13¾	960	Southvaal 50c	£13⅛	–⅛	Q9c	φ	0.4
480	340	Stilfontein 50c	465	......	Q65c	1.3	9.0
£33¼	£21	Vaal Reefs 50c	£32	–¼	Q220c	1.7	4.4
£11½	650	Venterspost R1	£10¾	+⅛	†Q75c	1.7	4.5
£55	£34	W. Drie R1	£53	......	†Q400c	1.2	4.9
745	450	W'st'rn Areas R1	710	......	Q70c	1.4	6.4
£23	£15	Western Deep R2	£22¼	......	Q160c	φ	4.5
530	295	Zandpan R1	495	+5	†Q27c	1.8	3.5

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
8	3	Burma Mine 17½p	5½	......	m0.5	—	17
56	17	Charterhall 5p	54½	–1½	—	—	—
115	75	Colby Mines $1	75¢	......	—	—	—
760	360	Cons. Murch. 10c	760	+20	Q130c	2.2	11.0
53½	29½	Lauresia	37½	–3	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	325	–10	Q65c	1.0	8.6
211	80	R.T.Z.	198	–4	19.9	4.4	4.1
135	47½	Sabina Inds. C$1	120	–5	—	—	—
70	51	Stanford Mines 8	62	......	—	—	—
£12½	875	Tara Expln. $1	£11⅝	+⅛	—	—	—
75	38	Yukon Cons C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- φ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- ‖ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- § No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. *u Forecast dividend: cover based on previous year's earnings.* v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES

Friday May 30 1975

Strikes disrupt Continental air and sea links

BY LORELIES OLSLAGER AND CHRISTIAN TYLER

SEA AND AIR travel to the Continent was severely disrupted yesterday by industrial action at Heathrow Airport, London, and at French Channel ports.

But British ferry operators were confident last night that they would be operating normally again to-day, when the 48 hour-strike by French dockers and seamen is over.

The strike was in protest against plans by a German company to run a cut-price service from Southampton to St. Malo.

Yesterday, most Sealink services to France were cancelled.

Nearly half British Airways' European and domestic flights were cancelled because of a strike by maintenance men, delaying thousands of passengers while alternative flights were arranged. Further disruption is certain for at least part of Friday.

Some 700 pre-flight checkers at Heathrow, who went on strike on Wednesday night over a claim for extra pay for handling TriStars, were reported determined to continue their action. They will be voting at a mass meeting this morning.

At the same time, union officers—who are not backing the walk-out—will meet officials of the Advisory, Conciliation and Arbitration Service for exploratory talks, after a similar approach by the ACAS to BA management yesterday.

British Airways said that despite cancellations and delays, most passengers yesterday got away on other airlines or on specially chartered aircraft.

Workers who re-fuel the aircraft walked out in sympathy with the maintenance men, forcing BA planes to re-fuel abroad and then "top up" at Luton and Stansted airports on their way back to Heathrow.

The strikers are demanding £10 a week "flexibility" money for handling different types of aircraft—the revival of an old claim involving BA's six TriStars. BA fears that to concede it would invite similar claims from all 11,000 maintenance engineers including those in the Overseas division, which has not been affected by the present dispute.

As plans were being made for a resumption of normal ferry services to France to-day, talks between the German company and local unions in Southampton showed no signs of leading to a compromise.

Southampton dockers and seamen have decided to black the controversial ferry, the Mary Poppins, owned by the German Travemuende-Trelleborg Line. The local unions claim that there is no room for a third ferry service out of Southampton to France, and that the company is trying to "cream off" the best of the summer holiday traffic with cut-price fares.

The crew of one British ferry boat due to sail from Southampton to Le Havre yesterday joined the strike by their French colleagues, but otherwise industrial action was concentrated in French ports.

As a result, most Sealink trips to France were cancelled, apart from one sailing from Dover to Boulogne. The Weymouth to Cherbourg service was not affected.

Peter Foster writes: The entry of TT Lines into the cross-Channel ferry services at cheap rates comes as an added complication to the main British-based operators, British Rail Sealink and Townsend Thorensen, at a time when they are trying to hammer out a revised tariff structure with the Office of Fair Trading following last year's Monopolies Commission report on the Channel car ferries.

The Commission found that the price fixing agreement operated by British Rail Sealink and Seaspeed, Townsend Thorensen and Southern Ferries—which between them handled some 90 per cent. of cross-Channel traffic—was "against the public interest" and therefore had to be broken up. It also recommended that tariff structures should be changed

The cartel has now been disbanded but negotiations on tariff structures are proving difficult for two reasons.

First the OFT has never attempted anything like this before—dealing as it does with fundamental commercial strategy and pricing policy. Secondly, there is a problem of jurisdiction with Sealink because it is not wholly owned by British Rail. The French and Belgian railway companies hold a minority share.

Although competition from independent European-based companies is still on a small scale—for example the Danish Olau Line operating on the Sheerness-Flushing route — British operators are concerned at the prospect of further entries and rate cutting.

Editorial Comment, Page 20

Ford of Britain £8.7m. pre-tax profits for 1974

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD of Britain yesterday underlined its relative strength in the British motor industry by announcing pre-tax profits for 1974 of £8.7m

In the same year, only British Leyland was able to announce a profit before tax — of £2.3m — while both Vauxhall and Chrysler lost over £17m[illegible] After tax and extraordinary items, British Leyland's loss was £23.9m., while Ford managed a small profit of £2.4m.

Nevertheless, Ford is clearly unhappy with the result, which compares with profits in 1973, its best year, of £65.4m Chairman Sir William Batty described it as "massively inadequate" as "a return on the productive efforts of 70,000 people employing assets of almost £300m."

Turnover was £968m. against £830m., in 1973, while exports went up from £369m. to £413m.

The effects of the difficult trading conditions in the industry last year are shown in the jump in group bank borrowings from £78.5m. in 1973 to £190.1m. last year.

The situation has not improved this year, and Ford, like the other major U.K. motor manufacturers, is at present trading at a loss.

These problems are underscored in the separate accounts which Ford has presented on an inflation-adjusted basis. These show that turnover would actually have dropped (from £1.11bn. in 1973 when the company introduced inflation accounting, to £1.05bn.) and that it would have made a pre-tax loss of £10.9m.

Part of the adjustment has been made by charging additional depreciation of £24.9m., plus £32.4m. for stock inflation.

Ford has had a gloomy spell in the British market during the opening months of 1975. The introduction of the new Escort, and the slump in sales of its bigger cars have led to a decline in its market share, and for the last three weeks, production has been stopped at Dagenham by the door-hangers strike.

Weather

U.K. TO-DAY

SHOWERS in most places. Cool.

London, S.E. England, E. Anglia. Cloudy with some rain. Wind N., moderate. Max. 12C (54F).

Cent. S. and Cent. N. England, Midlands, Channel Is. Rather cloudy with showers. Wind N., moderate. Max. 13C (55F).

S.W. and N.W. England, Wales. Cloudy with scattered showers Wind N., moderate. Max. 13C (55F).

E. and N.E. England, Borders, Edinburgh, Dundee. Bright intervals and showers. Wind N., fresh. Max. 12C (54F).

Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland. Sunny spells and scattered showers. Wind N., moderate. Max. 12C (54F).

Aberdeen, Cent. Highlands, Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland. Frequent showers with sleet or snow on hills. Wind N., strong. Max. 7C (45F).

Outlook: Bright intervals with showers Cool.

Lighting-up: London 21.34, Manchester 21.53, Glasgow 22.16, Belfast 22.15.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	C	11	52	Luxembg.	F	25	77
Athens	S	29	84	Madrid	F	19	66
Bahrain	S	34	93	Manchstr.	C	11	52
Barcelona	S	18	64	Melbourne	S	16	61
Belfast	S	16	61	Milan	R	21	70
Belgrade	F	25	77	Moscow	S	13	55
Berlin	S	19	66	Munich	S	22	72
Birmgham.	C	8	46	Newcastle	C	9	48
Bristol	F	14	57	Oslo	F	9	48
Brussels	S	16	61	Paris	C	17	63
Budapest	S	22	72	Perth	M	19	66
B. Aires	C	21	70	Prague	F	21	70
Cairo	S	34	93	Reykjavik	C	10	50
Cardiff	S	14	57	Rio de Jo	S	24	75
Cologne	S	17	63	Rome	F	23	73
Copnhagn	F	14	57	Singapore	S	31	88
Dublin	F	12	54	Stockholm	F	7	45
Edinbgh.	F	11	52	Strasbourg	S	22	72
Frankfurt	F	23	73	Sydney	C	19	66
Geneva	C	17	63	Tehran	S	30	86
Glasgow	C	8	46	Tel Aviv	S	25	77
Helsinki	C	6	43	Tokyo	C	25	77
H. Kong	S	29	84	Vienna	S	24	75
Jo'burg	S	22	72	Warsaw	S	23	73
Lisbon	C	17	63	Zurich	F	20	68
London	C	10	50				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	F	21	70	Jersey	C	13	55
Algiers	C	19	66	Las Plms.	F	21	70
Biarritz	C	14	57	Locarno	R	16	61
Blackpool	F	12	54	Majorca	S	21	70
Bordeaux	R	14	57	Malaga	S	23	73
Boulogne	C	10	50	Malta	S	23	73
Casablnca	S	19	66	Nairobi	S	21	70
Cape Town	C	17	63	Naples	C	25	77
Corfu	S	25	77	Nassau	C	29	84
Dubrovnik	F	21	70	Nice	R	17	63
Faro	F	17	63	Oporto	F	16	61
Florence	C	22	72	Rhodes	S	25	77
Funchal	S	22	72	Salzburg	S	24	75
Gibraltar	S	21	70	Tangier	F	19	66
Guernsey	C	11	52	Tenerife	S	16	61
Innsbruck	F	22	72	Tunis	C	24	75
Inverness	C	9	48	Valencia	S	22	72
I. of Man	S	11	52	Venice	F	22	72
Istanbul	F	22	72				

S—Sunny, F—Fair, C—Cloudy, R—Rain, M—Misty.

Portugal no Trojan horse, Nato told

BY MALCOLM RUTHERFORD — BRUSSELS, May 29.

PORTUGAL GAVE assurances to-day that it wishes to remain a member of the Atlantic Alliance and has no intention of becoming a "Trojan horse" for the Communists.

The assurances were variously received by Western leaders and no collective view on the Portuguese situation has yet emerged.

Th Portuguese Prime Minister, General Vasco Goncalves, was asked to state his government's position at a meeting with President Ford this afternoon.

Dr. Henry Kissinger, U.S. Secretary of State, said afterwards that the meeting had been very frank and friendly and denied that the U.S. had sought specific assurances about the future.

Unfortunate

There is little doubt, however, that President Ford warned of the possible consequences for the alliance if some of its members have Communist-dominated governments. In a notable understatement, Dr. Kissinger said it would be "unfortunate."

General Goncalves is said to have replied by explaining the current Portuguese domestic structure and stressing that Portugal is a part of Europe and wants to remain allied to it. There was also a commitment to democracy.

The General gave similar assurances to the Prime Ministers of Denmark and Norway, who held a joint meeting with him this morning and he spoke of moving to a more Scandinavian type of political system. Several of the General's colleagues have been giving the same message to other Nato Ministers.

President Ford also devoted his attention to-day to the problems of Greece and Turkey and had separate talks with the Prime Ministers of both countries.

The discussions on this subject, in which Mr. James Callaghan, British Foreign Secretary, has also been involved, will continue throughout the Nato meeting, which is scheduled to end to-morrow evening.

On Saturday, the Greek and Turkish Prime Ministers will have a bilateral meeting for the first time.

Although President Ford denies any intention of acting as a mediator, the seriousness of the situation was underlined by requests to both sides to refrain from any military action while the negotiations continue.

The Ford talks took up most of the day and it was not until late afternoon that the Heads of Government began their first formal session. This, in turn, was dominated by President Ford, who was the only speaker.

Unilateral

The President again emphasised the continued American commitment to Nato and said there would be no unilateral U.S. troop withdrawals.

He called for further improvements in the process of political consultation between all members and warned of the need to maintain the military quality of the alliance, even while seeking detente.

Both Mr. Wilson and Chancellor Schmidt of West Germany are expected to make major statements to-morrow morning.

Bilateral talks, Page 6

European Commission accepts U.K. rescue plan for Leyland

BY REGINALD DALE — BRUSSELS, May 29.

THE EEC Commission to-day decided to raise no objection to the British Government's massive State rescue plan for British Leyland, although it will ask for further information on the practical details of the plan as it is carried out.

The Commission also gave the green light to French and German government plans to aid their motor industries.

The U.K. notified Brussels of the Leyland rescue operation under Article 93 of the Rome Treaty, which says that the Commission "shall be informed in sufficient time to enable it to submit its comments, of any plans to grant or alter [State] aid."

The Commission then decides whether or not the aid is compatible with the Treaty, although member governments can appeal over its head to the Council of Ministers, which may overrule the Commission by a unanimous vote.

In reaching its decision to-day, the Commission was fully conscious of the political delicacy of the issue in the current stage of the U.K. referendum campaign, and a carefully worded statement is to be worked out for publication to-morrow.

There was no suggestion here to-night that the decision would have been different if it had not been for the referendum. Officials said the Leyland plan was, in any case, compatible with the treaty, as it represented a genuine effort to restructure the industry, rather than an attempt to distort competition in the Community.

Nevertheless, the Commission is anxious not to provide British anti-Marketeers with extra ammunition by drawing undue attention to its powers of supervision under the State aids section of the treaty, even though they are accepted by the British Government.

Although the U.K. raised the general issue of national control over industrial and regional policies during the Common Market "renegotiations," it never specifically challenged the actual provisions of the treaty.

The German plan, under which DM210m. will be allocated to retrain redundant Volkswagen workers over the next three years, went through the Commission with little difficulty. It is regarded in Brussels as a straightforward act of regional policy.

The French plan, under which State loans were given to Citroen and Renault early this year, was seen as more similar to the British Leyland rescue operation and of comparable political delicacy.

Bias in U.K. system says NEDO

By William Keegan
Economics Correspondent

THE National Economic Development Office suggests this morning that the British financial system is biased in favour of investment in Government stock and housing, rather than in industry.

In a new publication, Finance for Investment, NEDO, under Sir Ronald McIntosh, its director-general, makes the controversial suggestion that loan finance for industrial investment would be more readily forthcoming "if Government would consider restricting the issue of stock of a maturity longer than, say, eight years."

Among a number of proposals for reviving the U.K. capital market, NEDO calls for a greater role by clearing banks in medium-term lending to industry, and says "the classes of paper rediscountable at the Bank of England ought to be widened to include term finance to manufacturing industry."

The NEDO study includes much of the detailed work which lay behind the recent proposal to set up permanent machinery to keep the problems of industrial investment and financing under review, with a staff supplied jointly by NEDO and the Bank of England, and representatives from the Treasury, the Department of Industry, the Bank of England, private financial institutions in the City, and both sides of industry.

Against the background of the proposals for compulsory redirection of investment funds made by Mr. Anthony Wedgwood Benn, Secretary for Industry, NEDO aims at a consensus approach. Sir Ronald McIntosh told the Financial Times yesterday: "We need to generate more finance for investment, and we must see that more gets to manufacturing industry, but without any compulsion."

A mechanism to be tuned, page 20

Massey-Ferguson sues strikers

BY OUR LABOUR STAFF

MASSEY-FERGUSON is taking legal action against strikers at its Coventry tractor plant who have occupied the factory for over a fortnight.

The company has served summonses on 310 named workers and others, which will be heard before a High Court judge in chambers next Friday. Copies of the summons have been posted on the gates of the factory, where efforts were made to serve them on some pickets yesterday

A company spokesman said the summonses had been issued on the grounds that the people named were in occupation "without licence or consent."

From the outset trade union officials and shop stewards had been warned that pickets were acting illegally, the spokesman added. Now the company had "regretfully" no alternative but to resort to the law to regain possession of the factory

Staff unable to enter the tractor plant and other factories have been working from local hotels or from home

The occupation follows a strike by the company's 4,500 hourly paid workers at their Coventry plants, who are in dispute over the negotiation of a general wage rise. They walked out after rejecting an offer worth £7.44 a week on average.

The strike is costing the company £600,000 a day in lost U.K. and export sales.

Meanwhile, hopes of an early return to work by the 4,000 production workers on strike at the Chrysler engine factory in Coventry were dashed yesterday when the company refused to meet the men's demands for financial concessions, including two days' holiday money forfeited by the strike.

As a result, the union negotiating committee has decided not to bring forward from next Thursday a mass meeting of the men, as it had promised to do if their demands were met.

The strike has made idle another 8,000 workers at the Chrysler factories at Ryton, Coventry, and Linwood in Scotland.

After yesterday's talks, Mr. Duncan Simpson, chairman of the joint shop stewards' committee, said they were "very disappointed." "We felt there could have been a basis for an early return to work."

Chrysler workers have been on a week's holiday and would have been due to return on Monday.

Continued from Page 1

Attack by Shore

pressure to take still further expansionary action.

This could only lead to excessive demand later on when the full impact of the original expansionary measures would be felt.

A similar line was taken by Dr. Hans Friderichs, West German Economics Minister, who said that expansion from such a high inflationary base could well lead to a new "maxi-boom," followed by yet another "maxi-recession."

Summing up the discussions at the end of the meeting, Mr. Healey said at a Press conference that all the participating countries were now giving top priority to the restorations of economic browth based on the full use of available resources and manpower.

Many delegates, including himself, had expressed the view that the fact that OECD countries between them now had 14m. unemployed, represented "an economic waste and human tragedy for which democratic countries could not easily accept responsibility."

In a background document prepared for the ministerial meeting, Mr. Emil Van Lennep, OECD Secretary-General, said present expectations were that recovery would get under way from mid-year onwards, with major countries, other than Italy and the U.K., showing positive growth rates.

Preliminary projections by the Secretariat up to the middle of 1976 suggested some strengthening of the recovery in the first half of next year, though expansion in most countries might still be slower than what was considered normal in the past.

The OECD area's overall present deficit could shrink by up to $15bn. this year to somewhere around $20bn. But, since much of this movement would be cyclical, the deficit could grow somewhat again in the first half of next year.

Continued from Page 1

Car men

would be forgotten as soon as the referendum was over.

Brushing aside a question about the row between Mr. Roy Jenkins and Mr. Anthony Wedgwood Benn, he said: "Memories don't last as long as you people in the media think." But he did deplore the use of personalities in the campaign.

THE LEX COLUMN

Dividend pose at Coats Patons

Index rose 1.9 to 348.5

Coats Patons' decision to pass its final dividend, offering instead of 1-for-25 scrip issue, has a certain logic to it — the cash was not generated by trading in 1974 and the payment would have involved handing over £2.5m. of ACT to the Inland Revenue—but it is a logic which shareholders will find very hard to accept. That was certainly true in the City yesterday, where the shares slumped 6½p to 48½p despite better-than-expected profits — down from £54.1m. to £47.3m. after the half-time warning of a "marked drop." And the 36,500 small (1,000 units or less) shareholders may also be less than happy about the absence of their dividend cheques even though the Board hopes to arrange a pooling system to cut down the expenses of selling small numbers of shares.

But the move by Coats will serve a useful purpose if it hammers home the importance which companies are increasingly having to place on cash flow rather than profits. In 1974 the group's cash flow of £34.7m. was more than absorbed by the inflationary increase in working capital alone—and the total cash deficit was £24.6m. (though it has £80m. of borrowing capacity in hand). Paradoxically Coats will be better placed to pay dividends this year because although profits may well be lower the slowdown in inflation (outside the U.K., anyway) will put it into cash surplus. But it can be criticised for not following the *full logic of inflation accounting* which would make borrowing seem much less unattractive, and for being too bland in its assumptions about the equivalence of income and capital for its shareholders.

Courtaulds

Courtaulds 1974-75 performance—profits up from £116.3m. to £125.7m.—is outstanding relative to the other international textile majors, and the shares rose 11p to 140p on the news. But of course this is all history. Profits in the second half, which is usually much more important than the first six months, fell 38 per cent. to £46.4m. The overseas companies, which may now account for about two-fifths of the profits total, appear to have been relatively stable in the latter part of the period. But then they operate on a calendar year basis. So do the U.K. garment companies, which means that the worst of the textile recession has yet to show through. Elsewhere, the packaging business has suffered a sharp downturn since March.

The message is that the first half this time is going to look dreadful compared to 1974-75's £79.3m. pre-tax, and although the shares have been a strong market recently, they may now be vulnerable pending the AGM at the end of July. But there are still a number of positive points to support a market capitalisation of £380m. and a yield of over 6 per cent.

The first is that net cash flow of £122m. covered last year's capital spending with £7m. to spare, and it looks as though net working capital was not that much higher over the period. So the net cash balances may not, after all, be that much down on last year's £150m.

Moreover, Courtaulds has quite transformed itself since its last cyclical peak in 1969-70. Total debt then represented over three-quarters of shareholders' funds: it is now under a third. Book fixed assets totalled £275m. at that time, a figure which is dwarfed by capital spending of no less than £354m. in the succeeding five years.

Assocd. Engineering

Associated Engineering has made £6½m. in the first six months of 1974-75, compared with £3m. and £6.2m. in the first and second halves last time, and overall profits are expected to reach about £13m. pre-tax. That is the background for its £7.9m. rights issue, and AE looks an acceptable home for new money. *Its return on capital employed is rising to nearly a fifth this year*, and the ex rights dividend yield is over 10 per cent.

In addition, these figures help to confirm what AE has always said about its small commitment to original equipment for U.K. passenger cars. The French company is moving into the black, profits in the U.K. distribution business are moving substantially higher, and AE is doing very well out of diesel components which make up about a third of sales.

Yet the group is still not profitable enough. Although it will be paying no U.K. tax this year, it is heading for a net cash outflow on trading of perhaps £4m. The explanation is its heavy stock requirements: net working capital of £65m. compares with net cash flow of about £10m. After the rights issue, debt will fall from about 85 per cent. down to 66 per cent. of shareholders' funds, but the long term financing problems will remain unsolved.

A final point: AE has produced an interim balance sheet, and is considering doing likewise in future years. That would set an admirable precedent.

BP

BP's share price, unchanged at 485p, regarded first quarter net income of £42.2m. (effectively £49.2m. on the previously used nil basis, before the ACT provision) with lofty disinterest. Unless earnings really fall out of bed this year the prospect of more than 130p a share across the valley in 1977 is what really counts. At least the results show that BP's profits, though less well cushioned than Shell's, are holding up reasonably well; the final quarter of 1974 produced £54.2m. on the nil basis, and those analysts projecting £200m. (52p a share) for the year have no reason to change their estimates, though a slight further decline in the second quarter seems quite likely. Volume continues to be weak, but BP's January-March decline of 14½ per cent. against the corresponding 1974 quarter compares with a drop of a sixth for Shell outside North America.

UDT

UDT's decision to defer payment of the £39,000 Preference dividends due on June 30 (though the shares had already gone ex dividend) came as a nasty blow to sentiment yesterday, and its Ordinary fell 5p to 18p, only just over half the April peak. But it appears that the move is largely a technicality. The point is that after the end-December provisions the parent company has no distributable reserves left, so it would be risking a breach of company law were it to pay any dividends without being sure that profits had been earned in the second half-year; the results will not be known until August. At least UDT has been enjoying a positive cash flow, and its customers in property have been able to sell houses more freely. But the climate has still not been right for the kind of large-scale land disposals which might have unwound its problems quickly.

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